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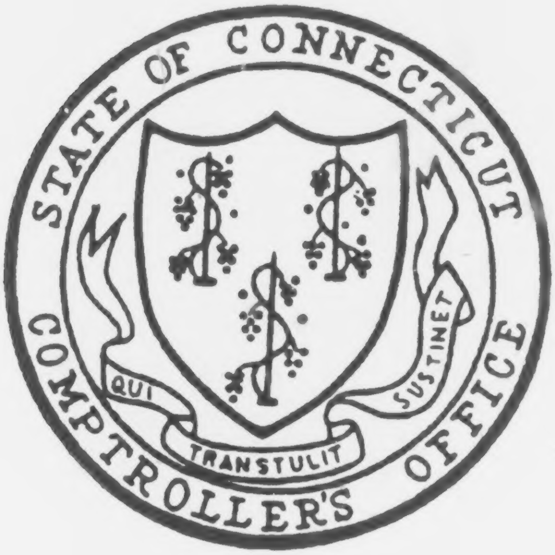
# State of
# CONNECTICUT

## Comprehensive Annual Financial Report
## Fiscal Year Ended June 30, 1990

J. EDWARD CALDWELL
STATE COMPTROLLER

# STATE OF CONNECTICUT



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 1990

Prepared By

THE OFFICE OF THE COMPTROLLER

J. EDWARD CALDWELL

State Comptroller

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# INTRODUCTORY SECTION

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**State of Connecticut**
OFFICE OF THE COMPTROLLER
HARTFORD, CONN. 06106

J. EDWARD CALDWELL
*Comptroller*

LAWRENCE J. CACCIOLA
*Deputy Comptroller*

ADDRESS ALL COMMUNICATIONS TO
STATE COMPTROLLER
55 ELM STREET
HARTFORD, CONNECTICUT 06106

December 31, 1990

The Honorable William A. O'Neill, Governor
Members of the General Assembly
Citizens of the State of Connecticut

As Comptroller of the State of Connecticut, I am pleased to transmit the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1990. This report was prepared in conformance with generally accepted accounting principles (GAAP) as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). In addition, this past year Connecticut became the first New England state to receive the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the State's 1989 financial report. This award represents the highest form of recognition in the area of governmental financial reporting and reflects our continuing commitment to excellence in financial reporting.

This report was prepared by the Office of the Comptroller. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the State. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the State as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the State's financial and demographic information have been included.

This report includes an introductory section containing this transmittal letter, a State organizational chart, and a list of selected officials; a financial section containing the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditors' report thereon; and a statistical section containing selected financial and demographic information.

## REPORTING ENTITY

This report includes all material funds, account groups and organizations over which the State exercises oversight responsibility as determined by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service, and special financial relationships. Based on these criteria, the following are incorporated for financial reporting purposes:

- Connecticut Development Authority
- Connecticut Housing Finance Authority
- Connecticut Resources Recovery Authority
- Teachers Retirement System
- Bradley International Airport (Trustee Activities)

Other entities over which the State does not exercise significant oversight responsibility and which are, therefore, not included in this report include certain independent foundations associated with higher education and the Connecticut Alternate Retirement Program.

## STATE OF CONNECTICUT

Connecticut is the most southern of the New England states, located on the northeast coast and bordered by Long Island Sound, New York, Massachusetts, and Rhode Island. Connecticut is highly urbanized with an estimated population of 3,249,000 in 1990 and encompassing 5,009 square miles of land area.

## ECONOMIC CONDITION AND OUTLOOK

Connecticut has a diversified economy, with manufacturing, services, and wholesale and retail trade accounting for approximately 70% of nonagricultural employment. Since 1980 there has been a 20% decline in the manufacturing sector (including a 3.2% decline from 1989 to 1990), although the ratio of manufacturing employment to total employment still ranks Connecticut ninth in the nation in its dependency on manufacturing and remains one of its most important economic activities. Within the manufacturing sector, civilian and military transportation equipment (primarily aircraft engines, helicopters, and submarines) is the dominant industry, followed by nonelectrical machinery, electrical equipment, and fabricated metals.

The nonmanufacturing sector in Connecticut has experienced comparatively strong growth since 1980, especially in services and trade, with total employment increasing 35.7% including a 1.0% increase from 1989 to 1990.

The gradual shift in employment from manufacturing to a more diverse economy has provided for a relatively more stable economy and moderation in economic cycles. This, coupled with Connecticut's location and a highly educated and skilled population, has resulted in its having the highest per capita income and one of the lower unemployment rates in the nation. In fiscal 1990, the estimated per capita income of $25,001 ranked first among the states, while its average unemployment rate was 4.5% compared with an average of 5.3% for the United States.

Connecticut's economy is expected to experience a recession during 1990-91 with increasing unemployment rates and continued weakness in many sectors, especially real estate, financial services, and defense procurement. The economic slowdown will continue to have significant adverse impact on state government revenues while increasing social service and unemployment outlays. The November 1990 Comptroller's Report projects a $562 million General Fund budgetary deficit for the 1991 fiscal year, including $157 million carried forward from 1990. The tentative budget for fiscal 1992 projects an additional shortfall of $1.57 billion. The resolution of these shortfalls will require extraordinary actions by the Governor and the General Assembly in the coming months.

## MAJOR INITIATIVES

The State, despite fiscal constraints, continued or began numerous initiatives intended to increase the efficiency and effectiveness of government services and improve the welfare of present and future citizens. Examples include:

- A Commission to Study the Management of State Government (commonly referred to as the Thomas Commission) was established pursuant to Special Act 89-40. The Commission, consisting of members of both the public and private sector and assisted by independent outside consultants, is currently reviewing the operations of thirty-three state agencies for the purpose of developing recommendations for improved delivery and efficiency of services, increasing state revenues, and reductions in the level of state expenditures. The agencies being studied represent roughly 90% of the state's budget and personnel. The Commission will submit its recommendations to the Govenor and General Assembly in January, 1991.

- Infrastructure Renewal - The ten-year $7.2 billion transportation infrastructure improvement program begun in 1985 was successfully continued. During fiscal 1990, over $525 million of construction was accomplished, including 111 structures, 65.2 miles of roadway, and the resurfacing of 412 miles of state highway. Approximately 51% of the cost of the program is expected to be financed through federal aid.

- Corrections - Major gains were made in the expansion of bed capacity in correctional institutions. The expansion program consists of more than 6,200 new beds under development, at a cost of more than $700 million, expected to be brought on-line incrementally by 1993. In fiscal 1990, 1,260 beds were added to the correctional system.

- Economic Development - The Economic Development Manufacturing Assistance Act of 1990 created the Connecticut Commission on Business Opportunity, Defense Diversification and Industrial Policy, established property tax exemptions on new manufacturing equipment, expanded development assistance programs, and gave the Department of Economic Development new flexibility in servicing clients.

The 1990-91 budget enacted by the legislature contained funding for several new or expanded programs, including implementation of programs to prevent homelessness ($87.3 million) and a Children's Initiative in the areas of adoption, family preservation, and health services ($3.4 million). The legislature also authorized a Tax Amnesty Program, conducted during September through November 1990, which raised over $50 million in additional tax revenues, exceeding the original goal of $10 million.

## STATE GOVERNMENT

Under the State Constitution, Connecticut is formally organized into the Legislative, Executive, and Judicial Departments. The Governor is the chief executive of the State and is generally responsible for administration of the government exclusive of other constitutionally elected officials. The other elected officials are the Lieutenant Governor, Treasurer, Secretary of the State, Comptroller, and Attorney General. The Governor and Lieutenant Governor are elected as a unit.

All elective officials of the Executive Department hold office for four-year terms. These officials were last elected at the general election in November, 1990, to assume office in January, 1991.

The legislative power of the State is vested in the General Assembly, composed of the Senate and House of Representatives. Members of the General Assembly serve two-year terms with election in November of even numbered years to assume office in January next succeeding their election. The General Assembly meets in annual sessions to enact, amend, or repeal laws and to adopt appropriation bills. The Judicial Department is composed of three principal courts: The Superior Court, the Appellate Court, and the Supreme Court. At June 30, 1990, the State had approximately 52,000 permanent full-time employees.

## BUDGETARY AND INTERNAL ACCOUNTING CONTROLS

The State maintains budgetary controls to ensure compliance with annual appropriation acts passed by the General Assembly. Enacted appropriations are subject to allotment by the Governor and encumbrance by the Comptroller upon the request of the responsible state agency. State funds are expended by the Treasurer only upon a warrant, draft, or order of the Comptroller, who is charged with ensuring that such expenditures are within the available balance in a legally authorized appropriation or allotment.

The State's system of internal controls over the accounting system has been designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

## GENERAL AND TRANSPORTATION FUNDS - BUDGETARY BASIS VS. MODIFIED ACCRUAL (GAAP) BASIS

The General and Transportation Funds are the major budgeted funds of the State and, as such, are an important focus in determining the financial condition of the State. As discussed in the accompanying Notes to the Financial Statements, the budget is formulated and controlled using a modified cash basis of accounting while the enclosed statements, under generally accepted accounting principles, utilize a modified accrual basis of accounting for governmental funds.

Under the budgetary basis, the General Fund had an operating deficit for the year of $259.5 million. Under the modified accrual basis, including accruals and other adjustments required by GAAP, the General Fund deficit was $437.3 million. The Transportation Fund had a budgetary deficit of $19.5 million for the year and a GAAP operating deficit of $42.9 million. The adjustments from budget to GAAP are summarized on the following page (dollars in millions).

| | General Fund | Transportation Fund |
|---|---|---|
| Budgetary Basis Operating Deficit | $ (259.5) | $ (19.5) |
| Increase (Decrease) in Accrued Revenues | 5.4 | (2.8) |
| (Increase) Decrease in Accrued Expenditures | (103.6) | 4.4 |
| (Decrease) in Reserve for Continuing Appropriations | (4.9) | (24.3) |
| Operating Deficit in Other Transportation Related Funds | | (.7) |
| Equity Transfers from Other Funds Recognized as Revenue for Budgetary Purposes | (74.7) | - |
| GAAP Basis Operating Deficit | $ (437.3) | $ (42.9) |

## GENERAL AND TRANSPORTATION FUND CONDITION - BUDGETARY BASIS

Under the budgetary basis, the General Fund ended the year with an operating deficit of $259.5 million compared to a deficit of $28 million in the prior year and a surplus of $84.9 million in the original budget plan. The deficit occurred despite a hiring freeze and expenditure recisions initiated by the Governor for agency operating accounts, and enactment by the Legislature of $95 million in one-time revenue enhancements. The variance was largely the result of substantial shortfalls in corporate income tax revenues and increased expenditure requirements for Medicaid and welfare programs.

The final $259.5 million deficit was partially offset by a transfer of $102.3 million from the Budget Reserve Fund (Rainy Day Fund), which is a separate fund for statutory accounting purposes. This transfer consisted of the entire remaining balance of the Budget Reserve Fund and left a deficit of $157.2 million to be carried forward to fiscal year 1991.

Under the budgetary basis, the Transportation Fund ended the year with a cumulative unappropriated surplus of $40.1 million, a decrease of $19.5 million from the June 30, 1989, surplus of $59.6 million and $21.8 million less than the $2.3 million increase in the budget plan for the year. The variance was attributable to shortfalls in motor fuels taxes and motor vehicle licenses and fees.

## GENERAL AND TRANSPORTATION FUND CONDITION - GAAP BASIS

On a GAAP basis, the General Fund on June 30, 1990, had an accumulated unreserved fund balance deficit of $461.8 million. The Transportation Fund had an accumulated unreserved fund balance of $34 million including resources in the Merritt Parkway and Public Bus Transportation Funds, which are part of the Transportation Fund for GAAP reporting purposes.

Revenues and other financing sources of the General Fund totaled $6.56 billion and for the Transportation Fund $617 million. The revenues from various sources are shown in the following schedule for 1990 (amounts in thousands):

| | | | Increase (Decrease) from 1989 | |
|---|---|---|---|---|
| Revenues and Other Financing Sources | Amount | Percent of Total | Amount | Percent |
| General Fund | | | | |
| Sales and Use Tax | $2,479,083 | 37.8% | $ 381,592 | 18.2% |
| Corporation Tax | 763,993 | 11.7 | (106,035) | (12.2) |
| Capital Gains, Dividends, and Interest Tax | 624,698 | 9.5 | 116,009 | 22.8 |
| Other Taxes | 766,261 | 11.7 | 5,806 | 0.8 |
| Total Taxes | 4,634,035 | 70.7 | 397,372 | 9.4 |
| Intergovernmental | 1,351,737 | 20.6 | 202,954 | 17.7 |
| Other Revenue | 311,267 | 4.7 | 58,516 | 23.2 |
| Other Financing Sources | 262,108 | 4.0 | (863) | (0.3) |
| Total General Fund | $6,559,147 | 100.0% | $ 657,979 | 11.2% |
| Transportation Fund | | | | |
| Motor Fuels Tax | $ 308,087 | 49.9% | $ (7,574) | (2.4)% |
| Licenses, Permits and Fees | 234,850 | 38.1 | 12,951 | 5.8 |
| Intergovernmental | 27,448 | 4.4 | (15,139) | (35.5) |
| Investment Income | 28,051 | 4.6 | 5,034 | 21.9 |
| Other | 18,640 | 3.0 | 10 | - |
| Total Transportation Fund | $ 617,076 | 100.0% | $ (4,718) | (0.8)% |

The increase in sales and use tax was largely attributable to an increase in the rate from 7 1/2% to 8%, and expansion of the base to certain items formerly exempt. The corporation tax decrease was the result of reduced corporate profits resulting primarily from weaker economic growth, higher interest rates, and adverse changes in the banking industry. Capital gains, dividends and interest tax collections increased due primarily to the elimination of the 60% exclusion on long-term capital gains and an increase in the rate structure for the interest and dividends tax.

Intergovernmental revenues increased in the General Fund due to federal reimbursement for higher Medicaid and welfare expenditures, while the decrease in the Transportation Fund reflects reduced expenditures in certain federal aid accounts.

Expenditures and other financing uses of the General Fund totaled $7.0 billion and for the Transportation Fund $660 million, as shown in the following schedule (amounts in thousands):

| | | | Increase (Decrease) from 1989 | |
|---|---|---|---|---|
| Expenditures and Other Financing Uses | Amount | Percent of Total | Amount | Percent |
| General Fund | | | | |
| Legislative | $ 40,748 | 0.6% | $ 2,295 | 6.0% |
| General Government | 516,065 | 7.4 | 63,438 | 14.0 |
| Regulation and Protection | 218,608 | 3.1 | (746) | (0.3) |
| Natural Resources and Recreation | 71,097 | 1.0 | 174 | 0.2 |
| Health and Hospitals | 842,706 | 12.1 | 41,541 | 5.2 |
| Human Services | 1,765,829 | 25.2 | 288,788 | 19.6 |
| Education, Libraries and Museums | 1,790,232 | 25.6 | 347,411 | 24.1 |
| Corrections | 421,222 | 6.0 | 66,619 | 18.8 |
| Judicial | 172,486 | 2.5 | 13,634 | 8.6 |
| Federal and Other Grants | 478,675 | 6.8 | 5,647 | 1.2 |
| Debt Service | 267,637 | 3.8 | 57,239 | 27.2 |
| Operating Transfers Out | | | | |
| Higher Education | 400,371 | 5.7 | (3,897) | (0.1) |
| Other | 10,771 | 0.2 | 1,117 | 11.6 |
| Total General Fund | $ 6,996,447 | 100.0% | $ 883,260 | 14.4% |
| Transportation Fund | | | | |
| General Government | $ 2,091 | 0.3% | $ 66 | 3.3% |
| Transportation | 427,265 | 64.8 | 12,522 | 3.0 |
| Federal and Other Grants | 17,250 | 2.6 | (15,045) | (46.6) |
| Debt Service | 213,335 | 32.3 | 22,576 | 11.8 |
| Total Transportation Fund | $ 659,941 | 100.0% | $ 20,119 | 3.1% |

Significant increases in expenditures over the prior year occurred in human services, principally for Medicaid and welfare assistance programs; educational aid to local governments, including over $200 million in aid formerly paid by the Educational Excellence Fund; in corrections for the support of additional bed capacity; and debt service on additional long-term borrowing.

## CAPITAL PROJECTS FUNDS

Expenditures for 1990 in the capital projects funds totaled $222 million for general state facilities (excluding enterprise funds and higher education), and $777 million for highway and other infrastructure projects. These expenditures are financed through the sale of bonds and from federal and other grants.

## HIGHER EDUCATION AND UNIVERSITY HOSPITAL FUND TYPE

Connecticut operates a comprehensive system of higher education, including the University of Connecticut, the Connecticut State University system, and statewide systems of community and technical colleges. Higher education activities are reported as a discrete entity using generally accepted accounting principles for colleges and universities. Direct General Fund support for 1990, including federal and other grants, was $400 million, classified as an operating transfer from the General Fund for financial reporting purposes.

## EXPENDABLE TRUST FUNDS

The major expendable trust funds are the Employment Security Fund, which accounts for unemployment taxes on employers in the state and the payment of unemployment compensation benefits; and the Local Property Tax Relief Fund, established to provide unrestricted annual grants to municipalities. Expenditures for 1990 from the Employment Security Fund were $362 million. The Local Property Tax Relief Fund had $42 million in expenditures and an equity transfer of $70.5 million to the General Fund.

## PROPRIETARY FUNDS

Operating revenues for the State's enterprise funds totaled $566 million for 1990, with $506 million in operating expenses. Included in the enterprise funds are the Connecticut Development, Housing Finance, and Resources Recovery Authorities; Bradley Airport Operations, Rental Housing, and Vocational Education programs.

The State's internal service funds provide motor pool vehicles, supplies, equipment, data processing and other services to agencies and other governmental units. These funds had a combined net income of $2.7 million and total operating revenues of $76.5 million for 1990.

## DEBT ADMINISTRATION

State general obligation bonds are currently rated Aa, AA, and AA+ by Moody's, Standard and Poor's, and Fitch Investors Service, respectively. The Moody's and Standard and Poor's ratings were reduced from Aa1 and AA+ during the year, due to the State's continuing budget shortfalls. Transportation related special tax obligation bonds are currently rated A1, AA-, and AA- respectively, with Standard and Poor's reflecting a reduction from AA and Moody's unchanged from the prior year. Fitch Investors Service had not previously rated Connecticut bonds.

As of June 30, 1990, the aggregate outstanding bonds of the State, excluding debt of authorities or others for which the State is contingently liable, totaled $4.5 billion, with current year issuances totaling $1.2 billion, as follows (in thousands):

| Bond Type and Funding Source | Issued 1989-90 | Outstanding June 30, 1990 |
|---|---|---|
| General Obligation - General Fund | $ 585,637 | $2,335,211 |
| General Obligation - Transportation Fund | 4,125 | 316,214 |
| Special Tax Obligation - Transportation Fund | 628,653 | 1,563,381 |
| General Obligation - Other Sources | 9,810 | 263,175 |
| Total Issued and Outstanding | 1,228,225 | 4,477,981 |
| Accretion on Capital Appreciation Bonds | 29,409 | 33,703 |
| Total Bonded Debt | $1,257,634 | $4,511,684 |

During fiscal 1990, $230.9 million in General and Transportation Fund financed bonds were retired. In addition, $291.6 million was available as of June 30 in the Debt Service Fund for retirement of Special Tax Obligation bonds.

The State has no constitutional limit on its power to incur indebtedness other than it may borrow only for public purposes. A statutory debt limit exists equal to 4 1/2 times the General Fund tax receipts of the previous year, excluding Transportation Special Tax obligation bonds, bonds redeemable from other revenue sources, and certain other exclusions and additions. The debt limit so computed was $21.3 billion as of June 30, 1990.

Bonds outstanding for authorities included in the reporting entity, but for which the State is only contingently or morally liable, were as follows (in thousands):

| | |
|---|---|
| Connecticut Development Authority | $ 1,865,571 |
| Connecticut Housing Finance Authority (12-31-89) | 2,530,256 |
| Connecticut Resources Recovery Authority | 439,919 |
| Total | $ 4,835,746 |

## MAJOR RETIREMENT SYSTEMS FUNDED BY THE STATE

The State Employees Retirement Fund is the largest system maintained by the State, with approximately 55,000 active and 24,000 retired members at June 30, 1990. The State's funding program calls for payment for the normal cost plus full forty-year amortization of the unfunded past service liability, with full funding of such liability scheduled for the year 2026. The General and Transportation Fund contribution for 1990 was $288 million, with $209 million budgeted for 1991. The budgeted contributions for 1991 were less than the 1990 contributions due to a legislative change in the actuarial interest rate assumption from 8 1/2% to 9 1/2%, effective January 1, 1990, with savings of $128 million for the eighteen month period reflected in the fiscal 91 budget. Benefit payments and refunds of contributions for 1990 were $251 million.

The Teachers' Retirement Fund provides benefits for teachers and certain other employees in the public school systems of the state. There were approximately 47,000 active and former participants with accruing and accrued benefits and 14,000 retired members as of June 30, 1990. Contributions to the maintenance of the fund are not made by municipalities but are made by employees and General Fund contributions. The State's current funding program calls for payment of the normal cost plus full forty-year amortization of the unfunded past service liability in the amount of 85% of such cost in fiscal 1990 and increasing by 5% in each succeeding year through commencement of full amortization in fiscal 1993. Full funding of the liability is scheduled for the year 2033. General Fund contributions totaled $322 million for 1990 with $157 million budgeted for 1991. The 1991 budgeted amount reflects legislatively mandated reductions of $148 million as follows: (1) reduction of funding of total actuarial requirement from 90% to 80% for 90-91, $21 million; (2) elimination of one quarterly contribution payment, $76 million; and (3) change in the interest rate assumption for plan assets from 8 1/2% to 9 1/2%, $51 million. Benefit payments and refunds of contributions for 1990 were $217 million.

Pension systems are explained more fully in Note 9 of the Notes to the Financial Statements.

## CASH MANAGEMENT

The State Treasurer continually monitors cash flow to maximize the utilization of cash resources. During the year, temporary surpluses are invested in short-term investment funds; combined investment pools consisting of various certificates of deposit, bankers' acceptances, commercial paper, repurchase agreements, and student loans with various ranges of maturities. The aggregate investment income and average yield rate for the year for these funds were $146 million and 9.27% respectively. By comparison, 90 day Treasury Bills and 90 day certificates of deposit earned 8.22% and 8.82%, respectively, during the same time period.

During May 1990, the State established a program of temporary note issuances to cover periodic cash flow requirements, based upon the State's actual cash needs on a daily basis. As of June 30, 1990, the State had outstanding $109.2 million of such temporary notes, compared with $265.9 million as of May 31st. The program currently in place permits the issuance of up to $539 million of such temporary notes outstanding at any one time. These notes represent the State's first temporary borrowings since fiscal year 1984.

## RISK MANAGEMENT

The State is self-insured against certain property and liability claims, including workers' compensation claims. The State Insurance Purchasing Board serves as the focal point of risk management and insurance matters, maintaining a balance of commercially placed coverage and self-insurance to provide optimal coverage at minimal cost.

## INDEPENDENT AUDIT

The State's Auditors of Public Accounts have performed an independent audit of the GAAP and budgetary basis financial statements contained in this report in accordance with generally accepted auditing standards. Their report is contained in the Financial Section which follows.

## CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Connecticut for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1989. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

## ACKNOWLEDGEMENTS

I wish to express my appreciation to the many individuals in all agencies whose cooperation and assistance have made this report possible. In addition, the efforts of the GAAP Reporting Unit and others in our Central Accounting Division deserve special acknowledgement.

Sincerely,

J Edward Caldwell

J. Edward Caldwell
State Comptroller

JEC:RJG:hb

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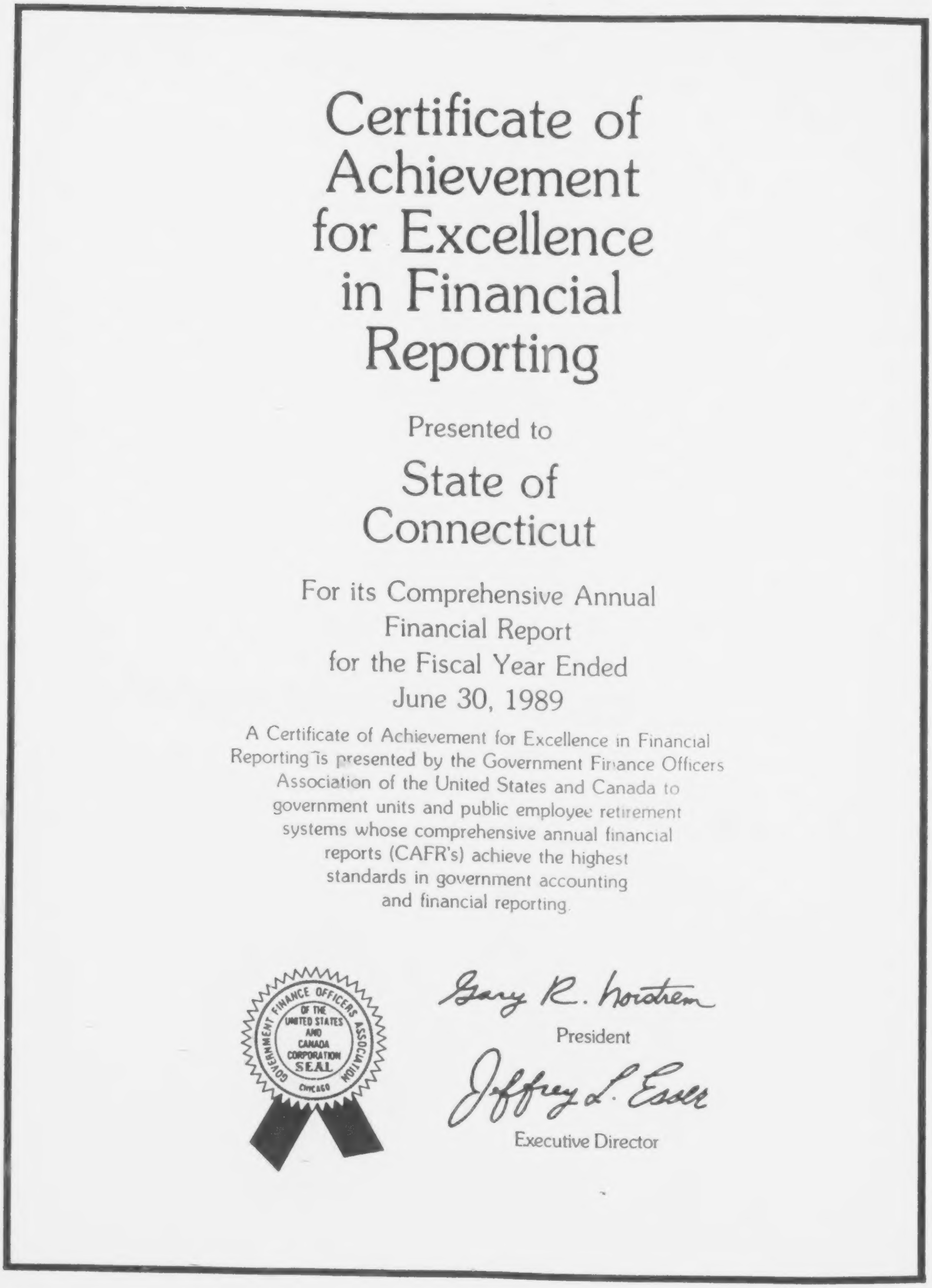

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## State of Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1989

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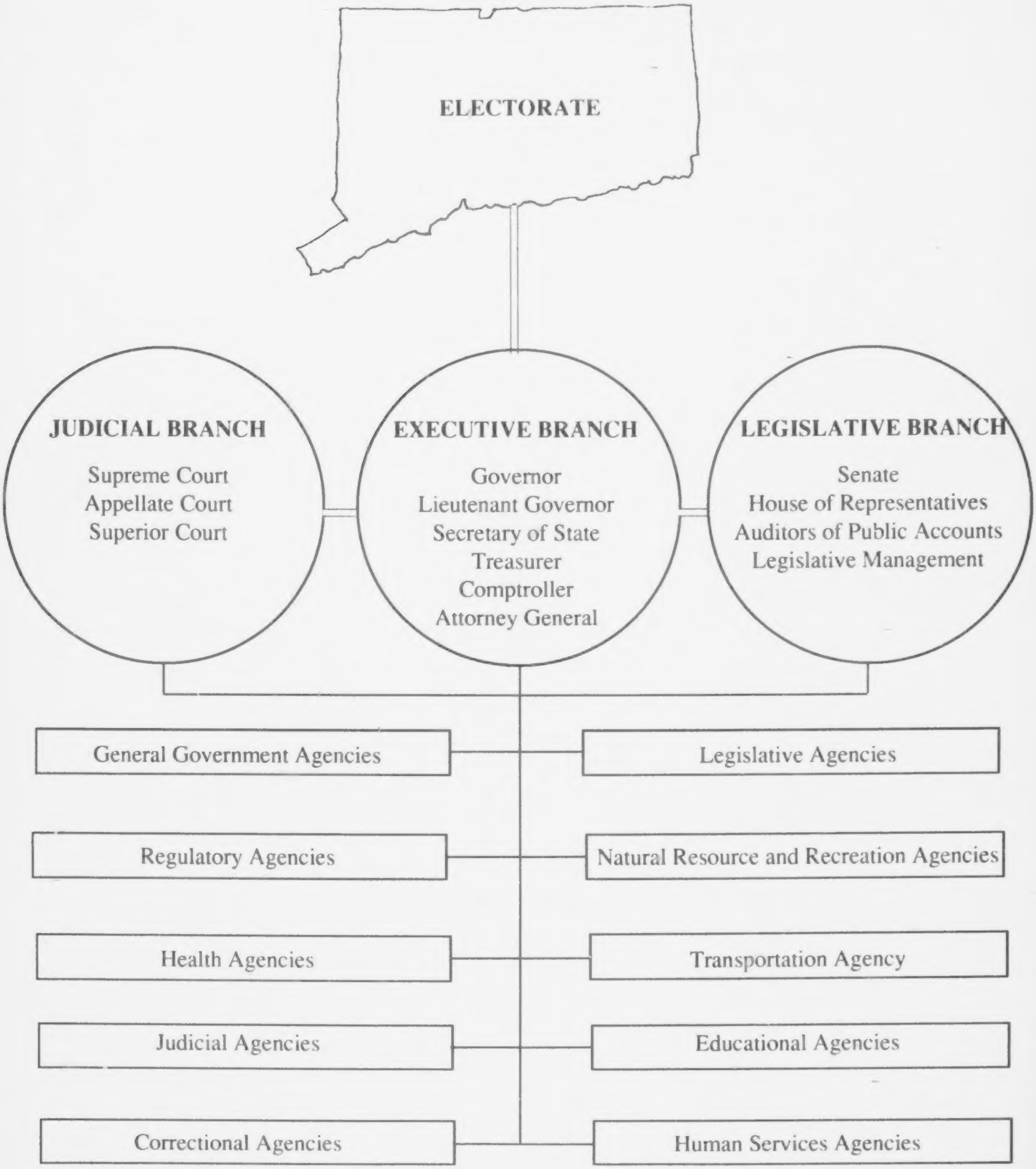
Gary R. Norstrem
President

Jeffrey L. Esser
Executive Director

# STATE OF CONNECTICUT ORGANIZATION CHART


ELECTORATE
JUDICIAL BRANCH
Supreme Court
Appellate Court
Superior Court
EXECUTIVE BRANCH
Governor
Lieutenant Governor
Secretary of State
Treasurer
Comptroller
Attorney General
LEGISLATIVE BRANCH
Senate
House of Representatives
Auditors of Public Accounts
Legislative Management
General Government Agencies
Legislative Agencies
Regulatory Agencies
Natural Resource and Recreation Agencies
Health Agencies
Transportation Agency
Judicial Agencies
Educational Agencies
Correctional Agencies
Human Services Agencies

# STATE OF CONNECTICUT
# *SELECTED STATE OFFICIALS*
# AS OF JUNE 30, 1990

## *EXECUTIVE*

William A. O'Neill
*Governor*

Joseph J. Fauliso
*Lieutenant Governor*

Julia H. Tashjian
*Secretary of State*

Francisco L.Borges
*Treasurer*

J. Edward Caldwell
*Comptroller*

Clarine Nardi Riddle
*Attorney General*

## *JUDICIAL*

Ellen A. Peters
*Chief Justice*

## *LEGISLATIVE*

John B. Larson
*President Pro Tempore of the State Senate*
(36 Senators)

Richard J. Balducci
*Speaker of the House of Representatives*
(151 Representatives)

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# FINANCIAL SECTION

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STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS
STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106

LEO V. DONOHUE
HENRY J. BECKER, JR

# INDEPENDENT AUDITORS' REPORT

Honorable William A. O'Neill, Governor
and
Members of the General Assembly

We have audited the accompanying general purpose financial statements of the State of Connecticut as of June 30, 1990, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the State of Connecticut's financial management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits of the financial records of the State Comptroller and the State Treasurer. We did not audit the financial statements of the Connecticut Housing Finance Authority, the Connecticut Resources Recovery Authority, the Connecticut Development Authority, and the Bradley International Airport, which represent 97 percent and 98 percent, respectively, of the assets and revenues of the Enterprise Funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Connecticut Housing Finance Authority, the Connecticut Resources Recovery Authority, the Connecticut Development Authority, and the Bradley International Airport, is based solely upon the reports of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform each audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audits and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Connecticut as of June 30, 1990, and the results of its operations and cash flows of its proprietary and similar trust fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Connecticut. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

AUDITORS OF PUBLIC ACCOUNTS
Henry J Becker Jr
/s/ Henry J. Becker, Jr.
Leo V. Donohue
/s/ Leo V. Donohue

December 27, 1990
Hartford, Connecticut

# GENERAL PURPOSE FINANCIAL STATEMENTS

## STATE OF CONNECTICUT
## Combined Balance Sheet
## All Fund Types and Account Groups
## June 30, 1990
## (Expressed in Thousands)

| | Governmental Fund Types | | | |
|---|---|---|---|---|
| | General | Special Revenue | Debt Service | Capital Projects |
| **Assets and Other Debits:** | | | | |
| Cash and Cash Equivalents | $ - | $216,809 | $188,840 | $ - |
| Investments | - | - | 103,051 | - |
| Receivables: | | | | |
| Taxes | 429,331 | 32,588 | - | - |
| Accounts, Net of Allowances | 281,300 | 12,019 | - | 246 |
| Tuition and Patient Services | - | - | - | - |
| Loans, Net of Allowances | - | 201,245 | - | - |
| Notes | - | - | - | - |
| Interest | 63 | 4,084 | - | 986 |
| Non-Federal Grants Receivable | 311 | - | - | - |
| Due From Other Funds | 13,289 | 99,691 | - | 329,952 |
| Receivable From Other Governments | 154,321 | 3,876 | - | 79,448 |
| Advances To Other Funds | 76,477 | - | - | - |
| Inventories and Prepaid Items | 29,700 | 8,635 | - | - |
| Restricted Assets | - | - | - | - |
| Property, Plant & Equipment | - | - | - | - |
| Other Assets | - | - | - | - |
| Amount Available in Debt Service Fund | - | - | - | - |
| Amount to be Provided For Debt Retirement | - | - | - | - |
| **Total Assets and Other Debits** | **$ 984,792** | **$578,947** | **$291,891** | **$410,632** |
| **Liabilities, Equity and Other Credits:** | | | | |
| Liabilities: | | | | |
| Accounts Payable and Accrued Liabilities | $ 383,588 | $ 52,995 | $ - | $131,795 |
| Due to Other Funds | 436,424 | 3,192 | 270 | 5,873 |
| Payable to Other Governments | 40,460 | 165 | - | - |
| Advances Due Other Funds | - | 33 | - | - |
| Deferred Revenue | 345,005 | 36,117 | - | 34 |
| Escrow Deposits | - | - | - | - |
| Notes and Loans Payable | 109,200 | - | - | - |
| Deferred Compensation Liability | - | - | - | - |
| Agency Deposit Liabilities | - | - | - | - |
| General Obligation Bonds | - | - | - | - |
| Transportation Related Bonds | - | - | - | - |
| Revenue Bonds | - | - | - | - |
| Capital Leases | - | - | - | - |
| Compensated Absences | - | - | - | - |
| Unfunded Pension Costs | - | - | - | - |
| Workers Compensation Liability | - | - | - | - |
| **Total Liabilities** | 1,314,677 | 92,502 | 270 | 137,702 |
| Equity and Other Credits: | | | | |
| Investment in Fixed Assets | - | - | - | - |
| Contributed Capital | - | - | - | - |
| Retained Earnings: | | | | |
| Reserved | - | - | - | - |
| Unreserved | - | - | - | - |
| Fund Balances: | | | | |
| Reserved | 131,892 | 288,174 | 291,621 | - |
| Unreserved, undesignated | (461,777) | 198,271 | - | 272,930 |
| **Total Equity and Other Credits** | (329,885) | 486,445 | 291,621 | 272,930 |
| **Total Liabilities, Equity and Other Credits** | **$ 984,792** | **$578,947** | **$291,891** | **$410,632** |

**The accompanying notes are an integral part of the financial statements.**

| Proprietary Fund Types | | Fiduciary Fund Types | Account Groups | | Higher Education & University Hospital | Total (Memorandum only) |
|---|---|---|---|---|---|---|
| Enterprise | Internal Service | Trust and Agency | General Fixed Assets | General Long-Term Debt | | |
| $ 421,068 | $ 3,814 | $ 780,949 | $ - | $ - | $ 181,269 | $ 1,792,749 |
| 327,575 | - | 7,752,141 | - | - | 13,562 | 8,196,329 |
| - | - | 1 | - | - | - | 461,920 |
| 24,470 | 3,462 | 14,862 | - | - | 40,303 | 376,662 |
| - | - | - | - | - | 343 | 343 |
| 2,181,916 | - | 10 | - | - | 24,473 | 2,407,644 |
| 1,822,215 | - | - | - | - | - | 1,822,215 |
| 33,727 | - | 43,117 | - | - | 401 | 82,378 |
| - | - | - | - | - | - | 311 |
| 372 | 3,303 | 14,780 | - | - | 5,281 | 466,668 |
| 3,893 | - | 1 | - | - | - | 241,539 |
| - | - | - | - | - | - | 76,477 |
| 6,094 | 5,742 | 803 | - | - | 9,606 | 60,580 |
| 503,112 | - | - | - | - | - | 503,112 |
| 366,673 | 28,832 | - | 1,968,194 | - | 1,013,965 | 3,377,664 |
| 27,095 | 944 | 539,528 | - | - | - | 567,567 |
| - | - | - | - | 291,621 | - | 291,621 |
| - | - | - | - | 7,638,349 | - | 7,638,349 |
| **$5,718,210** | **$46,097** | **$9,146,192** | **$1,968,194** | **$7,929,970** | **$1,289,203** | **$28,364,128** |
| | | | | | | |
| $ 55,508 | $ 4,782 | $ 9,119 | $ - | $ - | $ 36,719 | $ 674,506 |
| 1,522 | 404 | 15,871 | - | - | 3,112 | 466,668 |
| 790 | - | 250 | - | - | - | 41,665 |
| 76,444 | - | - | - | - | | 76,477 |
| 2,654 | 580 | 2,925 | - | - | 19,855 | 407,170 |
| 49,701 | - | - | - | - | - | 49,701 |
| 6,900 | 68 | - | - | - | 11,055 | 127,223 |
| - | - | 167,978 | - | - | - | 167,978 |
| - | - | 773,650 | - | - | 7,322 | 780,972 |
| - | - | - | - | 2,368,037 | - | 2,368,037 |
| - | - | - | - | 1,881,402 | - | 1,881,402 |
| 5,065,561 | - | - | - | - | 32,430 | 5,097,991 |
| - | - | - | - | 8,516 | 1,154 | 9,670 |
| 142 | 1,790 | - | - | 140,55[illegible] | 8,402 | 150,887 |
| - | - | - | - | 3,331,3[illegible] | - | 3,331,380 |
| - | - | - | - | 200,082 | - | 200,082 |
| 5,259,222 | 7,624 | 969,793 | - | 7,929,970 | 120,049 | 15,831,809 |
| | | | | | | |
| - | - | - | 1,968,194 | - | 968,301 | 2,936,495 |
| 70,752 | 13,802 | - | - | - | - | 76,532 |
| | | | | | | |
| 320,065 | - | - | - | - | - | 320,065 |
| 68,171 | 24,671 | - | - | - | - | 100,864 |
| | | | | | | |
| - | - | 7,987,285 | - | - | 78,213 | 8,777,185 |
| - | - | 189,114 | - | - | 122,640 | 321,178 |
| 458,988 | 38,473 | 8,176,399 | 1,968,194 | - | 1,169,154 | 12,532,319 |
| **$5,718,210** | **$46,097** | **$9,146,192** | **$1,968,194** | **$7,929,970** | **$1,289,203** | **$28,364,128** |

## STATE OF CONNECTICUT
## Combined Statement of Revenues, Expenditures and Changes in Fund Balances
## All Governmental Fund Types and Expendable Trust Funds
## For The Fiscal Year Ended June 30, 1990
## (Expressed in Thousands)

| | Governmental Fund Types | | | |
|---|---|---|---|---|
| | General | Special Revenue | Debt Service | Capital Projects |
| **Revenues:** | | | | |
| Taxes | $4,634,035 | $ 327,704 | $ - | $ - |
| Licenses, Permits and Fees | 107,709 | 272,302 | - | - |
| Intergovernmental | 1,351,737 | 127,675 | - | 425,422 |
| Charges for Services | 41,531 | 18,332 | - | - |
| Fines, Forfeits and Rents | 34,031 | 10,147 | - | - |
| Investment Earnings | 2,067 | 38,076 | 5,436 | 3,409 |
| Lottery and Off Track Betting | - | 718,473 | - | - |
| Miscellaneous | 125,930 | 19,074 | - | - |
| **Total Revenues** | 6,297,040 | 1,531,783 | 5,436 | 428,831 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Legislative | 40,748 | - | - | - |
| General Government | 516,065 | 627,883 | - | - |
| Regulation and Protection | 218,608 | 94,858 | - | - |
| Natural Resources and Recreation | 71,097 | 92,492 | - | - |
| Health and Hospitals | 842,706 | 2,319 | - | - |
| Transportation | - | 432,350 | - | - |
| Human Services | 1,765,829 | 14,305 | - | - |
| Education, Libraries and Museums | 1,790,232 | 60,330 | - | - |
| Corrections | 421,222 | 2,017 | - | - |
| Judicial | 172,486 | 1,108 | - | - |
| Federal and Other Grants | 478,675 | 23,530 | - | - |
| Capital Projects | - | - | - | 999,225 |
| Debt Service: | | | | |
| Principal Retirement | 155,451 | 48,225 | 27,200 | - |
| Interest and Fiscal Charges | 112,186 | 38,796 | 82,728 | - |
| **Total Expenditures** | 6,585,305 | 1,438,213 | 109,928 | 999,225 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (288,265) | 93,570 | (104,492) | (570,394) |
| **Other Financing Sources (Uses):** | | | | |
| Proceeds from Sale of Bonds | - | 303,720 | - | 909,356 |
| Operating Transfers In | 257,208 | 19,638 | 187,257 | 10,984 |
| Operating Transfers Out | (411,142) | (378,744) | (319) | (122,651) |
| Capital Lease Obligations | 4,899 | - | - | - |
| Other | - | - | - | - |
| **Total Other Financing Sources (Uses)** | (149,035) | (55,386) | 186,938 | 797,689 |
| **Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses** | (437,300) | 38,184 | 82,446 | 227,295 |
| **Fund Balances - July 1** | 40,089 | 446,961 | 209,175 | 45,635 |
| Residual Equity Transferred In | 74,730 | 2,608 | - | - |
| Residual Equity Transferred Out | (2,608) | (1,230) | - | - |
| Changes in Reserves for Inventories and Prepaids | (4,796) | (78) | - | - |
| **Fund Balances (deficit) - June 30** | **$ (329,885)** | **$ 486,445** | **$ 291,621** | **$ 272,930** |

**The accompanying notes are an integral part of the financial statements.**

| Fiduciary Fund Type Expendable Trust | Total (Memorandum only) |
|---|---|
| $ 203,306 | $ 5,165,045 |
| 99 | 380,110 |
| - | 1,904,834 |
| - | 59,863 |
| - | 44,178 |
| 47,332 | 96,320 |
| - | 718,473 |
| 57,153 | 202,157 |
| 307,890 | 8,570,980 |
| | |
| - | 40,748 |
| 93,796 | 1,237,744 |
| 372,324 | 685,790 |
| - | 163,589 |
| - | 845,025 |
| - | 432,350 |
| - | 1,780,134 |
| 16 | 1,850,578 |
| - | 423,239 |
| - | 173,594 |
| - | 502,205 |
| - | 999,225 |
| | |
| - | 230,876 |
| - | 233,710 |
| 466,136 | 9,598,807 |
| (158,246) | (1,027,827) |
| | |
| - | 1,213,076 |
| - | 475,087 |
| (1,091) | (913,947) |
| - | 4,899 |
| (59) | (59) |
| (1,150) | 779,056 |
| | |
| (159,396) | (248,771) |
| 605,894 | 1,347,754 |
| - | 77,338 |
| (70,500) | (74,338) |
| 0 | (4,874) |
| **$ 375,998** | **$ 1,097,109** |

## STATE OF CONNECTICUT
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**
**Budget and Actual - Non-GAAP Budgetary Basis**
**General Fund and Budgeted Special Revenue Funds**
**For the Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | General Fund | | |
|---|---|---|---|
| | Budget | Actual | Variance Favorable (Unfavorable) |
| **Budgeted Revenues:** | | | |
| Taxes, Net of Refunds | $4,685,000 | $4,669,879 | $ (15,121) |
| Operating Transfers In | 265,900 | 264,771 | (1,129) |
| Licenses, Permits and Fees | 106,000 | 106,614 | 614 |
| Other | 182,000 | 182,346 | 346 |
| Federal Grants | 813,700 | 813,666 | (34) |
| Equity Transfers In | 74,700 | 74,730 | 30 |
| **Total Budgeted Revenues** | 6,127,300 | 6,112,006 | (15,294) |
| **Expenditures:** | | | |
| Legislative | 33,998 | 33,478 | 520 |
| General Government | 369,659 | 354,674 | 14,985 |
| Regulation and Protection | 175,800 | 164,546 | 11,254 |
| Natural Resources and Recreation | 57,781 | 55,649 | 2,132 |
| Health and Hospitals | 710,201 | 693,424 | 16,777 |
| Transportation | - | - | - |
| Human Services | 1,668,095 | 1,662,559 | 5,536 |
| Education, Libraries and Museums | 1,992,428 | 1,984,549 | 7,879 |
| Corrections | 357,779 | 343,862 | 13,917 |
| Judicial | 130,130 | 125,761 | 4,369 |
| Non Functional | 978,561 | 954,069 | 24,492 |
| Appropiations Lapsed | (101,861) | | (101,861) |
| **Total Expenditures** | 6,372,571 | 6,372,571 | - |
| **Excess (Deficiency) of Revenues Over Expenditures** | (245,271) | (260,565) | (15,294) |
| **Other Financing Sources (Uses):** | | | |
| Federal and Other Restricted Sources | - | 503,730 | 503,730 |
| Federal and Other Restricted Uses | - | (503,730) | (503,730) |
| Transfers Between Funds | - | - | - |
| Miscellaneous Adjustments | - | 1,068 | 1,068 |
| **Total Other Financing Sources (Uses)** | - | 1,068 | 1,068 |
| **Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses** | **$ (245,271)** | (259,497) | **$ (14,226)** |
| **Budgetary Fund Balances - July 1** | | 293,138 | |
| Changes in Reserves | | 14,011 | |
| Statutory Transfer from Budget Reserve | | 102,254 | |
| **Budgetary Fund Balances - June 30** | | **$ 149,906** | |

**The accompanying notes are an integral part of the financial statements.**

| Budgeted Special Revenue Funds | | | (Total Memorandum Only) | | |
|---|---|---|---|---|---|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| $310,200 | $ 308,087 | $ (2,113) | $4,995,200 | $4,977,966 | $ (17,234) |
| - | - | - | 265,900 | 264,771 | (1,129) |
| 237,000 | 234,932 | (2,068) | 343,000 | 341,546 | (1,454) |
| 30,635 | 33,066 | 2,431 | 212,635 | 215,412 | 2,777 |
| 10,300 | 10,019 | (281) | 824,000 | 823,685 | (315) |
| - | - | - | 74,700 | 74,730 | 30 |
| 588,135 | 586,104 | (2,031) | 6,715,435 | 6,698,110 | (17,325) |
| | | | | | |
| - | - | - | 33,998 | 33,478 | 520 |
| 2,451 | 2,265 | 186 | 372,110 | 356,939 | 15,171 |
| - | - | - | 175,800 | 164,546 | 11,254 |
| 535 | 511 | 24 | 58,316 | 56,160 | 2,156 |
| - | - | - | 710,201 | 693,424 | 16,777 |
| 355,129 | 338,620 | 16,509 | 355,129 | 338,620 | 16,509 |
| 3,051 | 2,694 | 357 | 1,671,146 | 1,665,253 | 5,893 |
| - | - | - | 1,992,428 | 1,984,549 | 7,879 |
| - | - | - | 357,779 | 343,862 | 13,917 |
| - | - | - | 130,130 | 125,761 | 4,369 |
| 262,383 | 261,075 | 1,308 | 1,240,944 | 1,215,144 | 25,800 |
| (18,002) | - | (18,002) | (119,863) | - | (119,863) |
| 605,547 | 605,165 | 382 | 6,978,118 | 6,977,736 | 382 |
| | | | | | |
| (17,412) | (19,061) | (1,649) | (262,683) | (279,626) | (16,943) |
| | | | | | |
| - | 20,239 | 20,239 | - | 523,969 | 523,969 |
| - | (20,239) | (20,239) | - | (523,969) | (523,969) |
| (11) | (514) | (503) | (11) | (514) | (503) |
| - | 14 | 14 | - | 1,082 | 1,082 |
| (11) | (500) | (489) | (11) | 568 | 579 |
| | | | | | |
| $ (17,423) | (19,561) | $ (2,138) | $ (262,694) | (279,058) | $ (16,364) |
| | 447,514 | | | 740,652 | |
| | (220,648) | | | (206,637) | |
| | | | | 102,254 | |
| | $ 207,305 | | | $ 357,211 | |

## STATE OF CONNECTICUT
## Combined Statement of Revenues, Expenses and Changes in Fund Equity/Fund Balances
## All Proprietary Fund Types and Similar Trust Funds
## For The Fiscal Year Ended June 30, 1990
## (Expressed in Thousands)

| | Proprietary Fund Types | | Fiduciary Fund Types | | Total |
|---|---|---|---|---|---|
| | Enterprise | Internal Service | Nonexpendable Trust | Pension Trust | (Memorandum only) |
| **Operating Revenues:** | | | | | |
| Charges for Services | $143,535 | $76,472 | $ - | $ - | $ 220,007 |
| Participants' Contributions | - | - | - | 165,468 | 165,468 |
| State Contribution | - | - | - | 622,207 | 622,207 |
| Interest on Financing Activities | 398,087 | - | - | - | 398,087 |
| Investment Earnings | - | - | 4,888 | 656,279 | 661,167 |
| Miscellaneous | 24,437 | - | 29 | 55,825 | 80,291 |
| **Total Operating Revenues** | 566,059 | 76,472 | 4,917 | 1,499,779 | 2,147,227 |
| **Operating Expenses:** | | | | | |
| Cost of Sales and Services | - | 40,728 | - | - | 40,728 |
| Administrative | 135,313 | 27,153 | 57 | 933 | 163,456 |
| Depreciation and Amortization | 21,581 | 5,918 | - | - | 27,499 |
| Benefit Payments and Refunds | - | - | 180 | 496,963 | 497,143 |
| Realized Loss on Investments | 5,185 | - | - | - | 5,185 |
| Interest on Financing Activities | 343,863 | - | - | - | 343,863 |
| **Total Operating Expenses** | 505,942 | 73,799 | 237 | 497,896 | 1,077,874 |
| **Operating Income (Loss)** | 60,117 | 2,673 | 4,680 | 1,001,883 | 1,069,353 |
| **Nonoperating Revenues (Expenses):** | | | | | |
| Interest and Investment Income | 17,063 | - | - | - | 17,063 |
| Other | 10,824 | - | - | - | 10,824 |
| Interest and Fiscal Charges | (37,950) | - | - | - | (37,950) |
| **Total Nonoperating Income (Expense)** | (10,063) | - | - | - | (10,063) |
| **Income Before Operating Transfers** | 50,054 | 2,673 | 4,680 | 1,001,883 | 1,059,290 |
| Operating Transfers In (Out): | | | | | |
| Operating Transfers In | - | 8 | 534 | 45 | 587 |
| Operating Transfers Out | (779) | - | (4,172) | - | (4,951) |
| **Net Income (Loss)** | 49,275 | 2,681 | 1,042 | 1,001,928 | 1,054,926 |
| **Retained Earnings/Fund Balances - July 1 (as adjusted)** | 338,961 | 21,990 | 55,778 | 6,741,653 | 7,158,382 |
| **Retained Earnings/Fund Balances - June 30** | 388,236 | 24,671 | 56,820 | 7,743,581 | 8,213,308 |
| **Contributed Capital - July 1** | 60,999 | 16,802 | - | - | 77,801 |
| Capital Additions | 9,753 | - | - | - | 9,753 |
| Residual Equity Transferred Out | - | (3,000) | - | - | (3,000) |
| **Contributed Capital - June 30** | 70,752 | 13,802 | - | - | 84,554 |
| **Fund Equity - June 30** | **$458,988** | **$38,473** | **$56,820** | **$7,743,581** | **$8,297,862** |

The accompanying notes are an integral part of the financial statements.

**STATE OF CONNECTICUT**
**Combined Statement of Cash Flows**
**All Proprietary and Nonexpendable Trust Funds**
**For The Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | Proprietary Fund Types | | Fiduciary Fund Type | Total |
|---|---|---|---|---|
| | Enterprise | Internal Service | Nonexpendable Trust | (Memorandum only) |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | | |
| Operating Income (Loss) | $ 60,117 | $ 2,673 | $ 4,680 | $ 67,470 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | | | |
| Amortization and Depreciation | 21,581 | 5,918 | - | 27,499 |
| Provisions for loan losses | 5,000 | - | - | 5,000 |
| Interest on bonds payable | 343,863 | - | - | 343,863 |
| Investment Income | (83,959) | - | (4,888) | (88,847) |
| Realized (gain) loss on investments | 5,185 | - | - | 5,185 |
| (Increase) decrease in interest and other receivables | (887) | (2,391) | 262 | (3,016) |
| (Increase) decrease in due from other funds | (587) | 2,855 | - | 2,268 |
| (Increase) decrease in receivable from other governments | (54) | - | - | (54) |
| Increase (decrease) in accounts payable and other accrued liabilities | (2,410) | 27 | - | (2,383) |
| Increase (decrease) in due to other funds | 1,622 | (510) | - | 1,112 |
| Other-net | 2,347 | (398) | - | 1,949 |
| Issuance of loans, notes and installment contracts receivable | (497,390) | - | - | (497,390) |
| Collection of loans, notes and installment contracts receivable | 202,842 | - | - | 202,842 |
| **Net cash provided by (used in) operating activities** | 57,270 | 8,174 | 54 | 65,498 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | | | |
| Transfer to other funds | (779) | 8 | (3,637) | (4,408) |
| Increase in other assets or liabilities | (11,826) | - | - | (11,826) |
| Net proceeds from sale of bonds and notes | 485,322 | - | - | 485,322 |
| Retirement of bonds payable | (191,323) | - | - | (191,323) |
| Interest on bonds payable | (351,861) | - | - | (351,861) |
| **Net cash provided by (used in) noncapital financing activities** | (70,467) | 8 | (3,637) | (74,096) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | | | |
| Additions to fixed assets | (26,862) | (5,495) | - | (32,357) |
| Proceeds from sale of bonds and notes | - | (61) | - | (61) |
| Increase (decrease) in capital additions | 9,753 | (3,000) | - | 6,753 |
| Retirement of bonds and notes | (7,631) | - | - | (7,631) |
| Interest on bonds and notes | (27,219) | - | - | (27,219) |
| Decrease in loans receivable | 3,656 | - | - | 3,656 |
| **Net cash provided by (used in) capital and related financing activities** | (48,303) | (8,556) | - | (56,859) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | | |
| Proceeds from sales of investment securities | 844,293 | - | - | 844,293 |
| Purchases of investment securities | (720,888) | - | - | (720,888) |
| Interest and income on investments | 94,198 | - | 3,751 | 97,949 |
| Increase in restricted assets | (4,287) | - | - | (4,287) |
| **Net cash provided by (used in) investing activities** | 213,316 | - | 3,751 | 217,067 |
| **Increase (decrease) in cash** | 151,816 | (374) | 168 | 151,610 |
| **Cash and cash equivalents, July 1** | 269,252 | 4,188 | 6,062 | 279,502 |
| **Cash and cash equivalents, June 30** | **$ 421,068** | **$ 3,814** | **$ 6,230** | **$ 431,112** |

**The accompanying notes are an integral part of the financial statements.**

**STATE OF CONNECTICUT**
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**
**Higher Education and University Hospital Funds**
**For The Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | Current Funds | | Hospital | Endowment and | Loan |
|---|---|---|---|---|---|
| | Unrestricted | Restricted | Funds | Similar Funds | Funds |
| **Revenues and Other Additions:** | | | | | |
| Student Tuition and Fees | $138,965 | $ - | $ - | $ - | $ - |
| Patient Service Revenue | 42,200 | - | 89,415 | - | - |
| Federal Grants and Contracts | 8,812 | 44,069 | - | - | - |
| Private Gifts, Grants and Contracts | 6,108 | 8,032 | - | 418 | 179 |
| Sales and Services | 91,700 | - | - | - | - |
| Investment Earnings | - | 1,148 | - | - | 46 |
| Endowment Income | - | - | - | 34 | - |
| Interest on Loans Receivable | - | - | - | - | 344 |
| Expended for Plant Facilities | - | - | - | - | - |
| Retirement of Indebtedness | - | - | - | - | - |
| Realized Gains on Investments | - | - | - | 4 | - |
| Miscellaneous | 8,167 | 11,907 | 276 | - | - |
| **Total Revenues and Other Additions** | 295,952 | 65,156 | 89,691 | 456 | 569 |
| **Expenditures and Other Deductions:** | | | | | |
| Education and General: | | | | | |
| Instruction | 232,435 | 16,187 | - | - | - |
| Research | 9,926 | 55,677 | - | - | - |
| Public Service | 14,618 | 4,538 | - | - | - |
| Academic Support | 73,866 | 2,190 | - | - | - |
| Student Services | 33,903 | 3,447 | - | - | - |
| Institutional Support | 112,392 | 4,917 | - | - | - |
| Independent Operations | 558 | - | - | - | - |
| Scholarships and Fellowships | 17,036 | 5,293 | - | - | - |
| Plant Operations and Maintenance | 53,905 | 1,293 | - | - | - |
| Auxiliary Enterprises | 65,423 | - | - | - | - |
| Hospital | 31,802 | - | 90,085 | - | - |
| Loan Cancellations and Write-offs | - | - | - | - | 49 |
| Capital Expenditures | - | - | - | - | - |
| Disposal of Plant Facilities | - | - | - | - | - |
| Administrative Costs | - | - | - | - | 80 |
| Retirement of Indebtedness | - | - | - | - | - |
| Other | 1,293 | 62 | 18 | 5 | 739 |
| **Total Expenditures and Other Deductions** | 647,157 | 93,604 | 90,103 | 5 | 868 |
| **Transfers Among Funds - Additions (Deductions)** | | | | | |
| Mandatory: | | | | | |
| Retirement of Indebtedness | (3,390) | - | - | - | - |
| Work Study Matching Grant | (288) | 288 | - | - | - |
| Current Funds | (2,536) | 1,150 | - | - | (10) |
| Nonmandatory: | | | | | |
| Other | (8,202) | 2,900 | 5,034 | - | 268 |
| **Total Transfers Among Funds** | (14,416) | 4,338 | 5,034 | - | 258 |
| Operating transfers from the State's governmental funds | 378,561 | 31,560 | - | - | 610 |
| **Net Increase (Decrease) in Fund Balances** | 12,940 | 7,450 | 4,622 | 451 | 569 |
| **Fund Balances - July 1 (as adjusted)** | 102,743 | 22,740 | 2,335 | 2,816 | 25,557 |
| **Fund Balances - June 30** | **$115,683** | **$30,190** | **$ 6,957** | **$3,267** | **$26,126** |

**The accompanying notes are an integral part of the financial statements.**

| Plant Funds | | | |
|---|---|---|---|
| Unexpended | Retirement of Indebtedness | Investment in Plant | Total |
| $ - | $ - | $ - | $ 138,965 |
| - | - | - | 131,615 |
| - | - | - | 52,881 |
| - | - | 48 | 14,785 |
| - | - | - | 91,700 |
| - | 1,489 | - | 2,683 |
| - | - | - | 34 |
| - | - | - | 344 |
| - | - | 73,540 | 73,540 |
| - | - | 3,285 | 3,285 |
| - | - | - | 4 |
| - | - | 905 | 21,255 |
| - | 1,489 | 77,778 | 531,091 |
| - | - | - | 248,622 |
| - | - | - | 65,603 |
| - | - | - | 19,156 |
| - | - | - | 76,056 |
| - | - | - | 37,350 |
| - | - | - | 117,309 |
| - | - | - | 558 |
| - | - | - | 22,329 |
| - | - | - | 55,198 |
| - | - | - | 65,423 |
| - | - | - | 121,887 |
| - | - | - | 49 |
| 42,634 | - | - | 42,634 |
| - | - | 3,977 | 3,977 |
| - | - | - | 80 |
| - | 4,505 | - | 4,505 |
| - | 3,469 | 777 | 6,363 |
| 42,634 | 7,974 | 4,754 | 887,099 |
| - | 3,390 | - | - |
| - | - | - | - |
| 1,396 | - | - | - |
| - | - | - | - |
| 1,396 | 3,390 | - | - |
| 41,238 | (8,745) | - | 443,224 |
| - | (11,840) | 73,024 | 87,216 |
| - | 30,470 | 895,277 | 1,081,938 |
| **$ -** | **$ 18,630** | **$968,301** | **$1,169,154** |

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## Note 1
## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of Presentation

The accompanying financial statements of the State of Connecticut have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). The financial statements of the higher education and university hospital funds have been prepared in conformity with generally accepted accounting principles as prescribed by the National Association of Colleges and Universities Business Officers (NACUBO).

### B. Financial Reporting Entity

In conformance with generally accepted accounting principles, the accompanying financial statements of the State of Connecticut include all funds, account groups, departments and agencies of the State as well as authorities, commissions and other organizations over which the State exercises oversight responsibility. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the State's ability to exercise oversight responsibility. The most significant evidence of this ability is financial interdependency. Other evidence of the ability to exercise oversight responsibility includes, but is not limited to, the selection of governing authority, appointment of management, constitutional officers' ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the State and/or its citizens or is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the State is able to exercise oversight responsibilities.

Based upon these criteria, the following organizations, in addition to those currently included in the State's budgetary basis financial report, have been included for financial reporting purposes:

Public Authorities

Connecticut Development Authority, Connecticut Housing Finance Authority, and Connecticut Resources Recovery Authority - These authorities are classified as enterprise funds in the financial statements. The Connecticut Housing Finance Authority's financial statement reporting period is for the fiscal year ending December 31, 1989.

Other

Teachers' Retirement System - This retirement system is classified as a pension trust fund in the financial statements. See Note 9 for a detailed description of this system.

Bradley International Airport (Trustee Activities) - The trustee activities of the airport are included additionally as an enterprise fund in the financial statements.

The following have been excluded from the reporting entity:

Foundations and Organizations of the State's System of Higher Education

Certain independent foundations and organizations of the State's system of higher education are not included in the State's financial reporting entity. Of these foundations, the largest is the University of Connecticut Foundation, Inc., which is a separately incorporated not-for-profit entity, organized exclusively for the purpose of promoting, encouraging and assisting all forms of education and research at the University of Connecticut. The Foundation solicits and accepts donations and disburses funds derived from these donations in aiding the University. Summarized financial information from the financial statements of the Foundation is shown separately in note 20. The Foundation and other organizations of the State's system of higher education are excluded from the State's reporting entity because the State does not have the ability to exercise influence over their daily operations, approve budgets, or provide funding.

The Connecticut Alternate Retirement Program (CARP)

CARP was established in 1976 and is funded through individually owned annuities issued by the Teachers Insurance and Annuity Association (TIAA) and the

College Retirement Equities Fund (CREF). TIAA is an insurance company and CREF is an investment company. CARP is excluded from the State's reporting entity because the State does not have the ability to exercise oversight responsibility. The State's only responsibility with respect to CARP is to make contributions as required by statute.

**C. Fund Accounting**

The financial activities of the State are accounted for in individual funds and account groups.

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. For financial reporting purposes, individual funds are classified into four fund categories: governmental funds, proprietary funds, fiduciary funds and higher education and university hospital funds.

Account groups are accounting entities used to account for the State's general fixed assets and long-term debt. These account groups are not funds because they do not reflect available financial resources and related liabilities.

Because the State of Connecticut has a significant number of legal funds, a functional basis combining presentation was chosen to facilitate the preparation and readability of the Comprehensive Annual Financial Report (CAFR). More detailed information on the legal funds can be found in the Annual Report of the Comptroller - a "modified cash" basis document also produced by the Office of the Comptroller.

Following is a description of the fund categories and account groups used in the accompanying financial statements:

Governmental Funds

1. General Fund - The General Fund is the general operating fund of the State. It is used to account for all financial resources obtained and spent for those services normally provided by the State (e.g. health, social assistance, education, etc.), which are not accounted for in other funds.

2. Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, major capital projects, and higher education and university hospital sources) that are legally restricted to expenditures for specified purposes. For example, motor fuel taxes levied to fund Department of Transportation costs.

3. Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term bonds.

4. Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects (other than those financed by proprietary funds and higher education and university hospital funds).

Proprietary Funds

1. Enterprise Funds - These funds are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

2. Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the State, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These funds include expendable trust funds, non-expendable trust funds, pension trust funds, and agency funds.

Account Groups

1. General Fixed Asset Account Group - This account group includes all the fixed assets (excluding infrastructure) that are not accounted for in the proprietary funds and higher education and university hospital funds.

2. General Long-Term Debt Account Group - This account group includes all long-term obligations which are to be financed from governmental funds. These long-term obligations include the following:

   o - Unmatured principal on general obligation and transportation related bonds.

o - Other non-current liabilities for capital leases, compensated absences, unfunded pension costs, and workers' compensation claims.

Higher Education and University Hospital Funds
The financial activities of the State's higher education institutions and the university hospital are accounted for in these funds. The financial statements of these funds are presented in accordance with generally accepted accounting principles for colleges and universities as prescribed by the National Association of Colleges and University Business Officers (NACUBO). These funds are presented in a separate column within the combined financial statements. The following fund categories are included:

1. Current Funds - These funds are used to account for resources which will be expended in the near future for operating purposes. Included in the current fund category are unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only in accordance with external restrictions.

2. Hospital Funds - These funds account for the revenues and expenditures relating to the operations of the University hospital and dental clinics.

3. Endowment Funds - These funds account for gifts which are restricted as to principal by the donor.

4. Loan Funds - These funds are used to account for loans to students, faculty or staff and for resources available for such purposes.

5. Plant Funds - These funds account for resources which have been or will be used for institutional property acquisition, renewal and replacement, and resources accumulated for the retirement of debt associated with institutional properties.

6. Agency Funds - These funds account for funds held by an institution as custodian or fiscal agent for others such as student organizations, individual students, or faculty members.

**D. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting, which are described as follows:

Governmental Funds and Expendable Trust Funds
These funds are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. Under the current financial resources measurement focus only current assets and liabilities are normally included on the balance sheet. Fund balance represents a measure of "available spendable resources". Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual (i.e. both measurable and available). The word "available" means that the revenue is collectible within the current period or soon enough thereafter to pay current period liabilities. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt which are recorded as expenditures when due. Major revenue sources which are treated as susceptible to accrual include sales and use taxes, public service corporation taxes, motor fuel taxes, cigarette taxes, oil company taxes, and alcoholic beverage taxes. Revenues from federal grants are recorded when the related expenditure has been incurred.

Proprietary Funds, Non-expendable Trust Funds, and Pension Trust Funds
These funds are accounted for using a flow of economic resources measurement focus and an accrual basis of accounting. Under the flow of economic resources measurement focus all assets and liabilities are included on the balance sheet. Fund equity (proprietary funds) is segregated into contributed capital and retained earnings components. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

Agency Funds
These funds are accounted for using a modified accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and do not measure nor report results of operations.

Higher Education and University Hospital Funds
These funds are accounted for using a current financial resources measurement focus and an accrual basis of accounting with the following exceptions:

o - All assets and liabilities are included on the balance sheet.

o - Depreciation expense related to plant fund assets is not recorded.

o - Revenues and expenditures of an academic term covering more than one fiscal year are reported in the fiscal year in which the program is predominately conducted.

**E. Budgeting Process**

By statute, the Governor must submit the state budget to the General Assembly in February of each year. Prior to June 30, the General Assembly enacts the budget through the passage of appropriation acts for the next fiscal year and sets forth revenue estimates for the same period for the following funds: the General Fund, the Transportation Fund, the Soldiers, Sailors and Marines Fund and the Regional Market Operations Fund. Under the State Constitution, the Governor has the power to veto any part of the itemized appropriations bill and to accept the remainder of the bill. However, the General Assembly may separately reconsider and repass the disapproved items by a two-thirds majority vote of both the Senate and the House.

Budgetary control is maintained at the level of line item appropriations by agency as established in authorized appropriation bills and is reported in the Annual Report of the State Comptroller. A separate document is necessary since the level of legal control is more detailed than reflected in the CAFR. Before an agency can utilize funds appropriated for a particular purpose, such funds must be allotted for the specific purposes by the Governor and encumbered by the Comptroller upon request by the agency. Such funds can then be expended by the Treasurer only upon a warrant, draft or order of the Comptroller drawn at the request of the responsible agency. Expenditure control over special revenue, enterprise, and internal service funds that are not budgeted as part of the annual appropriation act is maintained by the allotment process.

The Governor has the power under Connecticut statute to modify budgetary allotment requests for the administration, operation and maintenance of a budgeted agency. However, the modification cannot exceed 3% of the fund or 5% of the appropriation amount. Modifications beyond those limits, but not in excess of 5% of the total funds, require the approval of the Finance Advisory Committee. The Finance Advisory Committee is comprised of the Governor, the Lieutenant Governor, the Treasurer, the Comptroller, two senate members, not of the same political party, and three house members, not more than two of the same political party. Additional reductions of appropriations of more than 5% of the total appropriated fund can be made only with the approval of the General Assembly.

All funds except fiduciary funds use encumbrance accounting. Using this method of accounting, purchase orders, contracts, and other commitments for the expenditures of the fund are recorded in order to reserve that portion of the applicable appropriation. All encumbrances lapse at year-end and generally, all appropriations lapse at year-end except for certain continuing appropriations (continuing appropriations are defined as carry forwards of spending authority from one fiscal budget into a subsequent budget). The continuing appropriations include: appropriations continued for a one-month period after year-end which are part of a program that was not renewed the succeeding year; appropriations continued the entire succeeding year, as in the case of highway and other capital construction projects; and appropriations continued for specified amounts for certain special programs. Carried-forward appropriations are reported as reservations of the fund balance in the financial statements.

The budget is prepared on a "modified cash" basis of accounting under which revenues are recognized when received except, in the General and Transportation Funds, for certain taxes and Federal and other restricted grant revenues which are recognized when earned. Tax revenues recognized when earned include the following: sales and use, public service corporations, petroleum companies, cigarettes, alcoholic beverages, gasoline, special motor fuel, and motor carrier road. Under the modified cash basis, expenditures are recognized when paid. A comparison of actual results of operations recorded on this basis and the adopted budget is presented in the financial statements for all governmental funds for which a budget is legally adopted.

The following schedule reconciles the original budgeted revenue and appropriations to the final adjusted numbers for the General Fund and all budgeted special revenue funds:

| | General Fund | Special Revenue Funds |
|---|---|---|
| Original budgeted revenues | $6,323,000 | $609,835 |
| Budgetary increases (decreases) | (195,700) | (21,700) |
| Revenues, as adjusted | $6,127,300 | $588,135 |
| Original Appropriation Acts | $6,238,099 | $607,640 |
| Deficiency Appropriation Act | 110,009 | — |
| Change in estimated lapses | 16,782 | (2,476) |
| Miscellaneous legally authorized adjustments | 7,681 | 383 |
| Appropriations, as adjusted | $6,372,571 | $605,547 |

### F. Budgetary vs GAAP Basis of Accounting

The major differences between the budgetary (legal) and the GAAP (generally accepted accounting principles) basis of accounting are as follows:

1. Revenues are recorded when received in cash except for certain year-end tax accruals (budgetary basis) as opposed to revenues being recorded when they are susceptibie to accrual (GAAP basis) (see note 1D).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to expenditures being recorded when the related fund liability is incurred (GAAP basis) (see note 1D).

3. For budgetary reporting purposes, continuing appropriations are included with expenditures to determine the budgetary surplus or deficit because they are considered uses of spending authority for the fiscal year. But under the GAAP basis, continuing appropriations are not included as expenditures.

4. For budgetary purposes, certain equity transfers were recognized as operating revenues.

5. Certain special revenue funds are not subject to legal budgets.

The following is a reconciliation of the excess (deficiency) of revenues and other sources over expenditures and other uses as accounted between the budgetary and GAAP basis of accounting:

| Financial Statements Fund Types | General | Special Revenue |
|---|---|---|
| Excess (deficiency) of revenues and other sources over expenditures and other uses (Budgetary basis) | $(259,497) | $(19,561) |
| Adjustments: | | |
| Increases (decreases) in revenue accruals: | | |
| Governmental Receivables | 36,535 | (2,061) |
| Other Receivables | (31,143) | (706) |
| (Increases) decreases in expenditure accruals: | | |
| Accounts Payable and Other Liabilities | (89,408) | 4,429 |
| Salaries and Fringe Benefits Payable | (14,214) | (22) |
| Increase (decrease) in Continuing Appropriations | (4,843) | (24,331) |
| Reclassification of operating revenues to equity transfers | (74,730) | — |
| Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)-budgeted funds | (437,300) | (42,252) |
| To record excess of revenues and other sources over expenditures and other uses for nonbudgeted funds | — | 80,436 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis) | $(437,300) | $ 38,184 |

## G. Assets and Liabilities

Cash and Cash Equivalents

In addition to petty cash and bank accounts, this account includes cash held in highly liquid, short-term investments (see Note No. 3). Short-term investments are carried at cost.

Investments

Investments in the debt service, enterprise, and higher education and university hospital funds are carried at cost or amortized cost. Investments in the trust and agency funds, except for the deferred compensation fund (an agency fund), represent investments in the pension and other trust funds (see Note No. 3). Investments in the deferred compensation fund are carried at market.

Inventories

Inventories are valued at cost. Cost is determined by the first-in first-out (FIFO) method. Inventories in the governmental funds consist of expendable supplies held for consumption whose cost was recorded as an expenditure at the time the individual inventory items were purchased. Reported inventories in these funds are offset by a fund balance reserve to indicate that they are unavailable for appropriation.

Fixed Assets and Depreciation

General fixed assets are recorded at historical or estimated historical cost. Donated fixed assets are valued at estimated fair value on the date donated. Interest costs incurred during construction and infrastructure fixed assets (highways, bridges, etc.) are not capitalized. No depreciation is provided for general fixed assets.

Fixed assets in the enterprise and internal service funds are carried at cost. Interest costs incurred during construction at Bradley International Airport are capitalized as part of the assets. Depreciation of buildings, land improvements, and machinery and equipment is determined using the straight-line method and is based upon the asset's estimated useful life.

Fixed assets in the higher education and university hospital funds are carried at cost. No depreciation is recorded in these funds.

Deferred Revenues

This liability account represents the following:

o - Cash received by the State before the State has a legal claim to it (e.g. grant monies received before the incurring of qualifying expenditures).

o - Revenues considered measurable but not available during the current period.

In subsequent periods, when the State has a legal claim to the cash received, or when the revenues become available, the liability for deferred revenues is removed from the balance sheet and revenue is recognized.

Capital Appreciation Bonds

Capital appreciation (deep-discount) bonds issued by the State, unlike most bonds which pay interest semiannually, do not pay interest until the maturity of the bonds. An investor who purchases a capital appreciation bond at its discounted price and holds it until maturity will receive an amount which equals the initial purchase price plus an amount which has accrued over the life of the bond on a semiannual compounding basis. The net value of the bonds are accreted (the discount reduced), based on this semiannual compounding, over the life of the bonds. This deep-discount debt is reported in the general long-term debt account group at its net or accreted value rather than at face value.

Other Long-term Obligations

The portion of pension obligations, workers' compensation claims, and accumulated compensated absences that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental and expendable trust funds that will pay it. The remaining portion that is not expected to be liquidated with expendable available financial resources is reported in the general long-term debt account group. In the proprietary, pension and non-expendable trust, and higher education and university hospital funds, such obligations are recorded as fund liabilities.

Vacation and sick policy is as follows. Employees hired on or before June 30, 1977, can accumulate up to a maximum of 120 vacation days. Employees hired after that date can accumulate up to a maximum of 60 days. Upon termination, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, for an amount equal to one-fourth of his accrued sick leave up to a maximum payment equivalent to sixty days.

## H. Fund Equity

Contributed Capital

The amount of permanent fund capital in the enterprise and internal service funds which is contributed from general government and other governmental entities.

Reserved Retained Earnings

The portion of retained earnings in the enterprise funds which is legally restricted for specific future use.

Reserved Fund Balances

The portion of fund balances in the governmental, fiduciary, higher education and university hospital fund types which is legally reserved for a specific future use or which is not available for appropriation or expenditure.

### I. Revenues, Expenditures and Expenses

Taxes

Certain major tax revenues are not susceptible to accrual and are recognized as revenue when the cash is collected. These revenues include corporate income taxes, and the capital gain, dividend and interest tax.

Licenses, Permits and Fees

These items are not susceptible to accrual and are recognized as revenues when the cash is collected.

Interfund Transactions

Interfund transactions are recorded as follows:

(1) Transfers which are from funds that are receiving revenues to funds in which the resources are to be expended are classified as operating transfers.

(2) Transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the State are treated similarly by the funds of the State.

(3) Reimbursements from one fund to another are treated as expenditures or expenses of the reimbursing fund and as a reduction of the expenditures or expenses of the reimbursed fund.

(4) Non-recurring or non-routine transfers of equity between funds and contributions to the capital of proprietary funds are classified as equity transfers.

### J. Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present the financial position, the results of operations or changes in financial position in conformity with generally accepted accounting principles nor is such data comparable to a consolidation.

## Note 2
## FUND DEFICITS

The following funds have deficit balances at June 30, 1990, in either unreserved fund balance or unreserved retained earnings:

| | |
|---|---|
| General Fund | $461,777 |
| Internal Service Funds | |
| Correction Industries | $3,366 |
| Enterprise Funds | |
| Rental Housing | $53,893 |
| Bradley Airport | 7,133 |
| Vocational Education | 90 |

The General Fund deficit was caused by continuing budget shortfalls totalling $157.2 million and GAAP adjustments totalling $304.6 million. Budgetary shortfalls will need to be addressed in future budgets enacted by the General Assembly.

The Correction Industries deficit was reduced by $88 from the prior year. Contributed Capital was $5,730 at June 30, 1990.

The Rental Housing deficit is the result of continuing deficiencies between debt service requirements and revenues, necessitating statutorily authorized advances from the General Fund. These advances are required to be repaid only in the event that future resources of the fund exceed such requirements.

The Bradley Airport deficit was the result of debt service expenses related to a major expansion and renovation of airport facilities. It is expected that revenue generated by the expanded facilities will eliminate the deficit in future years. In fiscal year 1990 the deficit was reduced by $7,696.

The Vocational Education deficit was reduced by $389 from the prior year. Contributed Capital was $350 at June 30, 1990.

None of the deficits constituted a violation of statutory provisions.

## Note 3
## CASH DEPOSITS AND INVESTMENTS

Cash deposits
For purposes of this disclosure, cash deposits include bank deposits, certificates of deposit and restricted cash (see note No. 7). As of June 30, 1990, the carrying amount of the State's total cash deposits was $1,134,947 and the corresponding bank balances were $1,273,241. Bank deposits were insured in the amount of $652,108 by the Federal Deposit Insurance Corporation and $621,133 were uninsured and uncollateralized. With the exception of cash deposits held in out-of-state banks, uninsured and uncollaterized deposits are protected against possible losses by State statute. This statute requires a bank holding public deposits to segregate collateral from its other assets in either the bank's trust department or in such manner as designated by the Banking Commissioner up to a maximum of 3% of the bank's average public deposits for the preceding four reporting periods.

Investments
As of June 30, 1990, the State's investments include the following:

- short-term investments
- long-term investments
- other investments
- restricted investments

Short-term investments include investments in the following:

- State's short-term pooled investment funds
- Tax exempt proceeds fund (money market fund)
- Repurchase agreements with original maturities of three months or less

The State's short-term pooled investment funds are available for use by the State's funds and agencies, public authorities, and municipalities. The State's statutes authorize these pooled investment funds to be invested in United States government and agency obligations, United States Postal Service obligations, certificates of deposits, commercial paper, corporate bonds, savings accounts, bank acceptances, student loans, and repurchase agreements. These pooled investment funds are not displayed on the combined financial statements except for disclosures made in this note. Instead, each fund type's investment in the pooled investment funds is reported as cash equivalents on the combined balance sheet. Investments in the tax exempt proceeds fund and repurchase agreements are also reported as cash equivalents on the combined balance sheet.

Long-term investments include investments in the State's long-term pooled investment funds. These pooled investment funds are available for use by the pension and other trust funds. State statutes authorize these pooled investment funds to be invested in corporate stock, corporate debt, United States securities, real estate, home mortgages, and other investment instruments. There is a restriction that not more than fifty percent of book value of the pension and other trust fund investments can consist of common stock. These pooled investment funds are not displayed on the combined financial statements except for disclosures made in this note. Instead, each fund type's equity in the pooled investment funds is reported as investments on the combined balance sheet.

Other investments include investments not held in the State's long-term pooled investment funds. These investments are held by the debt service, enterprise, agency, and the higher education and university hospital funds. These funds are authorized to invest in the State's short-term investment fund, United States securities, repurchase agreements, mutual funds, and other investment instruments. Other investments are reported as investments on the combined balance sheet.

Restricted investments include investments that are restricted by legal or contractual requirements. These investments are held by certain enterprise funds (e.g. public authorities). These enterprise funds are authorized to invest in the State's short-term investment fund, United States securities, repurchase agreements and other investment instruments. Restricted investments are reported as restricted assets on the combined balance sheet.

On the following page is a schedule disclosing the carrying amount and market value of the State's investments, including investments held by the State's pooled investment funds, in total and by investment type as of June 30, 1990. Further, the carrying amount of these investments is categorized by credit risk to indicate the level of risk assumed by the State in holding these investments. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the State's name.

| | Carrying Amount | | | | |
|---|---|---|---|---|---|
| Investment Type | Category 1 | Category 2 | Category 3 | Total | Market Value |
| Common Stock | $3,194,523 | $ — | $ — | $3,194,523 | $3,945,939 |
| Corporate Debt | 1,730,993 | — | — | 1,730,993 | 1,717,272 |
| Repurchase Agreements | 434,180 | 323,567 | — | 757,747 | 757,747 |
| U.S. Securities | 1,195,452 | 573,738 | 33,735 | 1,802,925 | 1,827,422 |
| Other | 102,520 | 10,943 | 100 | 113,563 | 116,302 |
| | $6,657,668 | $908,248 | $33,835 | 7,599,751 | 8,364,682 |
| Investments not categorized because they are not evidenced by securities that exist in physical or book entry form: | | | | | |
| Real Estate | | | | 1,291,386 | 1,400,451 |
| Limited Partnerships | | | | 169,226 | 155,303 |
| Deferred Compensation Plan Mutual Investments | | | | 167,978 | 167,978 |
| Tax Exempt Proceeds Fund | | | | 43,220 | 43,220 |
| Other | | | | 641 | 641 |
| Total Investments | | | | $9,272,202 | $10,132,275 |

The pension trust funds own approximately 85 percent of the investments that are in category 1 and the enterprise funds (public authorities) own 99 and 100 percent of the investments that are in category 2 and 3, respectively.

## Note 4
## TAXES RECEIVABLE

Taxes receivable consisted of the following as of June 30, 1990:

| | Funds | |
|---|---|---|
| | General | Special Revenue |
| Sales and Use | $363,603 | $ — |
| Corporation | 5,569 | — |
| Cigarette | 7,934 | — |
| Alcoholic Beverage | 6,098 | — |
| Public Service Corporations | 33,275 | — |
| Inheritance and Estate Tax | 5,863 | — |
| Gasoline and Special Fuel Petroleum | 6,989 | 29,960 |
| Motor Carrier | — | 2,628 |
| Taxes Receivable | $429,331 | $32,588 |

---

## Note 5
## LOANS RECEIVABLE

Loans receivable consisted of the following as of June 30, 1990:

| | Funds | | | |
|---|---|---|---|---|
| | Special Revenue | Enterprise | Trust and Agency | Higher Education and University Hospital |
| Mortgage | $ — | $2,034,093 | $ — | $ — |
| Housing | 108,876 | 104,441 | — | — |
| Student | — | — | — | 25,445 |
| Other | 92,369 | 53,180 | 10 | 130 |
| Less: | | | | |
| Allowance For Losses | — | 9,798 | — | 1,102 |
| Loans Receivable Net | $201,245 | $2,181,916 | $ 10 | $24,473 |

The mortgage loan program consists of home, multifamily and construction loan mortgages made by the Connecticut Housing Finance Authority. Most loans are insured by the Federal Housing Administration or by private mortgage insurance companies. In addition, home mortgage loans are guaranteed up to certain amounts by the Veterans Administration. Permanent loans earn interest at rates ranging from 1% to 13.5% and have initial terms of 10 to 40 years. Construction loans earn interest at rates ranging from 8.75% to 10%. Upon completion of each development, the related permanent mortgage loan, which will generally be provided by the Authority, will be payable over 30 to 40 years at annual interest rates ranging from 8.75% to 10%.

## Note 6
## NOTES RECEIVABLE

Notes receivable consist of loans made by the Connecticut Development Authority to participant companies within the State to finance the purchase of land, buildings, and equipment. These notes and installment contracts receivable are collateralized by assets acquired from the proceeds of the related loans. These receivables have original terms of 7 to 25 years and earn interest at rates ranging from 3.75% to 14.53%. As of June 30, 1990 loans in the amount of $113,511 (including loans of $8,174 made by other lending institutions) were insured by an insurance fund created by the Authority and by the faith and credit pledged by the State. This insurance fund had net assets of $14,764 at year end. Thus, the State is contingently liable in the event of any defaulted loans that could not be paid out of the assets of the insurance fund.

## Note 7
## RESTRICTED ASSETS

Restricted assets are defined as resources which are restricted by legal or contractual requirements. As of June 30, 1990, restricted assets in the enterprise funds are comprised of the following:

| | Bradley Int'l Airport | Connecticut Housing Finance Authority (12-31-89) | Connecticut Resources Recovery Authority | Total |
|---|---|---|---|---|
| Cash and Cash Equivalents | $45,503 | $ — | $ 49,198 | $ 94,701 |
| Investments | 1,669 | 323,897 | 72,531 | 398,097 |
| Interest Receivable | 609 | 7,538 | 2,167 | 10,314 |
| TOTAL | $47,781 | $331,435 | $123,896 | $503,112 |

## Note 8
## PROPERTY, PLANT AND EQUIPMENT

(1) A summary of changes in general fixed assets is as follows:

| | Balance 7/1/89 | Additions | Retirements | Completed Construction | Balance 6/30/90 |
|---|---|---|---|---|---|
| Land | $ 209,516 | $ 23,645 | $ 405 | $ — | $ 232,756 |
| Buildings | 629,863 | 95,239 | 35,901 | 77,820 | 767,021 |
| Improvements Other Than Buildings | 85,895 | 14,213 | 2,580 | — | 97,528 |
| Machinery and Equipment | 508,784 | 87,868 | 19,735 | — | 576,917 |
| Construction in Progress | 259,009 | 112,783 | — | (77,820) | 293,972 |
| Total | $1,693,067 | $333,748 | $58,621 | $ — | $1,968,194 |

(2) Property, plant and equipment for enterprise, internal service, and higher education funds consisted of the following as of June 30, 1990:

| | Enterprise | Internal Service | Higher Education and University Hospital |
|---|---|---|---|
| Land | $ 21,462 | $ — | $ 20,936 |
| Building | 162,216 | — | 565,703 |
| Improvements Other Than Buildings | 61,254 | 107 | 35,461 |
| Machinery and Equipment | 151,661 | 69,382 | 378,044 |
| Construction in Progress | 11,808 | — | 13,821 |
| Total | 408,401 | 69,489 | 1,013,965 |
| Less Accumulated Depreciation | 41,728 | 40,657 | — |
| Net Total | $366,673 | $28,832 | $1,013,965 |

In proprietary funds, the following estimated useful lives are used to compute depreciation:

| | |
|---|---|
| Buildings | 20-40 years |
| Land Improvements | 5-40 years |
| Machinery and Equipment | 5-20 years |

---

## Note 9
## RETIREMENT SYSTEMS

The State of Connecticut sponsors five defined benefit public employee retirement systems (PERS) and one defined contribution pension plan. In addition, the State is the administrator and custodian of the assets for the Connecticut Municipal Employees' Retirement System and the Connecticut Probate Judges' and Employees' Retirement System as described in Note 10. The State's responsibility with respect to these systems is purely administrative and custodial in nature and no financial liability lies with the State. Therefore GAAP pension disclosures have been omitted for these two systems. The defined benefit pension plans are included in the State's financial statements as pension trust funds while the defined contribution pension plan is not included in the financial statements as it is not considered to be part of the State's reporting entity.

Plan Descriptions

- State Employees' Retirement System (SERS) is the administrator of a single-employer defined benefit PERS established in 1939 and governed by Sections 5-152 to 5-192 of the General Statutes. SERS provides coverage to substantially all full-time employees who are not eligible for another State sponsored plan. Employees are covered under one of two tiers. Tier I is a contributory plan with employees contributing either 2% or 5% of their earnings up to the social security taxable wage base, and 5% above that level, and Tier II is a noncontributory plan. Members who joined the retirement system prior to July 1, 1984 are enrolled in Tier I. Tier I employees who retire at or after age 65 with 10 years of credited service or at or after age 55 with 25 years of credited service or at age 55 with 10 years of credited service with reduced benefits are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% of the average annual earnings (which are based on the three highest-paid years of service) over $4,800 plus 1% of $4,800 for each year of credited service. Tier II employees who retire at or after age 60 with 25 years of service, or at age 62 with 10 years of service, or at age 70 with 5 years of service or at age 55 with 10 years of service with reduced benefits are entitled to one and one third percent of the average annual earnings plus one percent of the average annual earnings in excess of the salary breakpoint in the year of retirement, for each year of credited service. All Tier I and II members are vested after ten years of service and both plans provide for death and disability benefits. The payroll for employees covered by the SERS for the year ended June 30, 1990 was $1,759.6 million while the State's total payroll was $1,901.4 million.

- Teachers' Retirement System (TRS) is the administrator of a single-employer defined benefit PERS with the State acting as a nonemployer contributor, established in 1981 and governed by Section 10-183 of the General Statutes. TRS provides coverage to teachers employed by public schools in Connecticut with each teacher required to contribute 6% of their annual salary. After completion of ten years of service, a member's rights to the defined benefit is vested and early retirement benefits may be elected. Members may draw a full retirement annuity after 35 years of service if before age 60; at age 60 if after 20 years of service and before 35 years of service; with 20 years of service if after age 60 and before age 70; and at age 70 if after 10 years of service and before 20 years of service. The payroll for employees covered by the TRS for the year ended June 30, 1990 was $1,540.8 million. The total employer's current-year payroll would represent the total payroll of all 169 towns and cities plus 19 regional school districts in Connecticut and this information is not available.

o Judicial Retirement System (JRS) is a single-employer contributory defined benefit PERS established in 1982 and governed by Sections 51-50 to 51-51 of the General Statutes. The System covers any appointed judge or compensation commissioner in Connecticut with members contributing 5% of their annual compensation. Participants have vested rights to full retirement benefits at age 65 with 10 years of service credit or before age 65 with 20 years of service credit. Mandatory retirement is at age 70. The payroll for employees covered by the JRS for the year ended June 30, 1990 was $11.8 million while the State's total payroll was $1,901.4 million.

Participation in the SERS, TRS, and JRS plans by respective eligible employees is generally required.

Although specific benefits of the above PERS vary by plan, they include periodic annuity payments with automatic annuity increases after retirement, survivors benefits, and under specified conditions, lump sum death benefits. In some plans, group health insurance and disability benefits are provided. Participants who terminate service may receive, upon application, a refund of their total contribution. The State funds the balance of the liability for benefits for the SERS, TRS, and JRS with annual contributions as determined by statute.

The following table summarizes membership by plans:

| | SERS 7/1/89 | TRS 7/1/89 | JRS 10/1/89 | Total |
|---|---|---|---|---|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 21,772 | 15,590 | 145 | 37,507 |
| Active plan participants: | | | | |
| Vested | 22,791 | 26,789 | 64 | 49,644 |
| Nonvested | 33,411 | 13,469 | 101 | 46,981 |
| Total | 56,202 | 40,258 | 165 | 96,625 |

## Funding Status and Progress

The amounts shown as "pension benefit obligations" are standardized measurements that, with some exceptions, must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases and any step-rate benefits. The measure is independent of the actuarial funding method used to determine contributions to the systems.

The pension benefit obligations were computed as part of the actuarial valuations performed as of July 1, 1989 for SERS and TRS, and as of October 1, 1989 for JRS. Significant actuarial assumptions used in the valuation include (a) rates of return on investment of present and future assets from 7.5% per year to 8.5% per year, (b) projected salary increases of 5.5% per year to 10.2% per year, (c) cost of living increases of 3% per year to 4.5% per year.

The total unfunded pension benefit obligation (PBO) applicable to each retirement system is as follows:(amounts expressed in millions)

| | SERS 7/1/89 | TRS 7/1/89 | JRS 10/1/89 | Total |
|---|---|---|---|---|
| Pension benefit obligation: | | | | |
| Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits | $2,089.1 | $2,053.0 | $70.8 | $4,212.9 |
| Current employees - Accumulated employee contributions including allocated investment income | 264.2 | 1,279.5 | 3.0 | 1,546.7 |
| Employer -financed vested | 2,351.7 | 3,757.7 | 24.8 | 6,134.2 |
| Employer -financed non-vested | 366.6 | — | 15.4 | 382.0 |
| Total pension benefit obligation | 5,071.6 | 7,090.2 | 114.0 | 12,275.8 |
| Net assets available for benefits, at cost (market value $6,969.6) | 2,552.1 | 3,744.8 | 30.0 | 6,326.9 |
| Unfunded pension benefit obligation | $2,519.5 | $3,345.4 | $84.0 | $5,948.9 |

As of July 1, 1989, the actuarial funding method used to determine the SERS pension costs is based on the Projected Unit Credit Method. Formerly, the Entry Age Normal Method was used. Under the old method the total actuarial accrued liability would have been $5,792.0 million compared to $5,071.6 million under the new method and the pension contribution for fiscal year 1989-90 would have been $396.4 million compared to an actual required contribution of $354.4 million. For the TRS, the rate of investment return was increased from 8.0% to 8.5%. No other changes in actuarial assumptions or benefit pensions that would significantly effect the valuation of the PBO occurred during 1989.

## Contributions Required and Contributions Made

The systems' funding policies have been established by statute. Employee contributions are based on fixed percentages ranging from 2% to 6% applied to an employee's annual compensation, supplemented by contributions provided by the State. Funding by the State is determined on an actuarial basis with normal cost being funded on a current basis. The same actuarial assumptions were used to compute both the pension contribution requirements and the pension benefit obligation. The unfunded actuarial accrued liability is being amortized over 40 years for all three plans. Periodic contributions for both normal cost and the amortization of the unfunded actuarial accrued liability are based on the projected unit credit cost method for the SERS and the JRS. For the TRS, funding is based on the entry age actuarial cost method.

The computation of the pension contribution requirements for 1990 for the SERS was done under the Projected Unit Credit (PUC) Cost Method, a switch from the Entry Age Normal Cost Method. As a result of a preliminary estimate of $55 million in savings to switch to PUC funding, the State appropriated $341.4 million. Actual PUC costs were $354.4 million, resulting in a $13 million difference. The actuarial computation of the full pension contribution requirement for the TRS for 1990 was $409.8 million. However, state statutes only required the State to contribute 85% or $348.6 million. Additionally, legislation was also passed which adjusted the assumed rate of interest earnings on investments of the TRS to 8.5% from the assumed rate of 8% used in the TRS actuarial valuation performed. As a result of this change, the actual contribution made by the TRS was $27 million less than the amount of the legally required contribution. For the JRS, the 1990 computation was based on the same actuarial assumptions, benefit provisions, actuarial funding method, and other significant factors used to determine pension cost requirements in previous years.

| | SERS | TRS | JRS | Total |
|---|---|---|---|---|
| | | (in millions) | | |
| Contributions Made: | | | | |
| By Employees | $ 29.1 | $106.9 | $ .6 | $136.6 |
| % of Covered Payroll | 1.7% | 6.9% | 5.0% | |
| By State | $288.4 | $321.6 | $10.8 | $620.8 |
| % of Covered Payroll | 16.4% | 20.9% | 91.5% | |
| Federal and Other Reimbursements | $ 53.0 | — | — | $ 53.0 |
| % of Covered Payroll | 3.0% | | | |
| Contributions Required: | | | | |
| Normal Cost | $157.1 | $127.8 | $ 4.4 | $289.3 |
| Amortization of Unfunded Liability | $197.3 | $220.8 | $ 6.4 | $424.5 |

Trend Information

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable.

Analysis of fund progress and ten-year historical trend information is disclosed on pages 62 - 65 of the State's comprehensive annual financial report.

In accordance with GAAP, employers contributing to public employee retirement systems must present three-year historical trend information. This information consists of:

- o Net assets available for benefits, expressed as percentages of the pension obligation applicable to the entity's employees. Analysis of this percentage over time indicates whether the retirement system is becoming financially stronger or weaker.
- o Unfunded pension benefit obligation, expressed as percentages of annual covered payroll. Showing unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analytical purposes.
- o Employer contributions expressed as percentages of annual covered payroll.

The following table presents the required three-year trend information:

| | | SERS | TRS | JRS |
|---|---|---|---|---|
| Net assets available for benefits as a percentage of the pension benefit obligation applicable to the State's employees: | 1990 | 50.3% | 52.8% | 26.3% |
| | 1989 | 47.6% | 47.8% | 20.4% |
| | 1988 | 45.1% | 45.8% | 16.0% |
| Unfunded pension benefit obligation as a percentage of annual covered payroll: | 1990 | 143.2% | 217.1% | 711.9% |
| | 1989 | 150.6% | 261.4% | 815.3% |
| | 1988 | 157.1% | 286.0% | 825.8% |
| State's contributions to the pension plan as a percentage of annual covered payroll: | 1990 | 16.4% | 20.9% | 91.5% |
| | 1989 | 20.5% | 20.6% | 99.0% |
| | 1988 | 19.1% | 20.3% | 102.1% |

Other

- The Connecticut Alternate Retirement Program (CARP) is a defined contribution plan for unclassified employees and is governed by Section 5-156 of the General Statutes. Unclassified employees at any of the units of the Connecticut State System of higher education are eligible under state law to participate. The State is the only nonemployee contributor to the pension plan. As of June 30, 1990, the pension plan's current membership consisted of 3,404 employees.

  A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. Members' rights in the pension benefits provided under this program vest immediately. An employee that leaves State service is entitled to his or her contributions and the State's contributions. Each employee must contribute 5% of his or her gross earnings to the pension plan. The State is required to contribute an amount equal to 8% of the employees' gross earnings. The covered payroll for employees covered by CARP was $140.0 million while the State's total payroll was $1,901.4 million.

  During the year the State's required and actual contributions amounted to $11.2 million, which was 8% of the current-year CARP covered payroll. Employees' required and actual contributions amounted to $7.0 million which was 5% of the current-year CARP covered payroll.

  No pension provision changes occured during the year that affected the required contributions to be made by the State or its employees.

  CARP held no securities of the State or other related parties during the year or as of the close of the fiscal year.

- State's Attorney and Public Defenders' Retirement Systems are single employer defined benefit PERS governed by Sections 51-287 and 51-295 of the General Statutes. The system covers certain state's attorneys and public defenders who contribute five percent of their salaries toward their retirement. Members of this system have a vested right to receive retirement benefits on a reduced actuarial basis after ten years of service credit. Any state's attorney or public defender who has attained the age of sixty-five and who has ten or more years shall receive a retirement salary annually. Retirement salaries are based on (1) one and one-half percent of their annual salary, for those who have completed ten or more but not less than fifteen years of service, (2) three percent of their annual salary for those who have completed fifteen or more but less than twenty years of service, (3) four and one-half percent of their annual salary, for those who have completed twenty or more but less than twenty-five years of service, (4) six percent of their annual salary for those who have completed twenty-five or more years of service.

  As of June 30, 1990, the State's Attorney Retirement System's membership stood at eight active and fourteen retired members while the Public Defenders' System had one active and four retired members. Total combined assets of both plans stood at $411 thousand with $37 thousand being contributed by active employees.

## Note 10
## OTHER RETIREMENT SYSTEMS ADMINISTERED BY THE STATE

The State acts solely as the administrator and custodian of the assets of the following retirement systems. Although these retirement systems are included as pension trust funds, the State has no financial liability other than a fiduciary reponsibility.

### Connecticut Municipal Employees' Retirement System

The system provides a retirement system for fire and police personnel as well as general government employees (except teachers) for any local government authority in the State of Connecticut, including towns, cities, boroughs, regional school districts, housing authorities or other special districts, which may elect to participate. As of July 1, 1989, there were 7,693 active members and 2,574 retired members.

The entire cost is borne by the participating municipalities and their employees through employee contributions of 2.25 to 5.0 percent of salary and contribution assessments on participating municipalities.

Municipal contributions are redetermined based on actuarial studies to be made annually in order to maintain the fund on a sound actuarial basis. The estimated municipal contribution for 1990 is $19.4 million.

As of the latest actuarial valuation, July 1, 1989, the net present value of the unfunded actuarial accrued liability was $44.4 million computed using the unit credit actuarial cost method.

### Connecticut Probate Judges and Employees' Retirement System

This system provides retirement benefits to Probate Court Judges and employees. As of January 1, 1990, there were 291 active and 148 retired or terminated members in the system.

The entire cost is borne by the Probate Courts and their employees through employee contributions of 2.25 to 5.0 percent of earnings and assessments on the various Probate Courts of the State which assessments are to be actuarially determined.

As of the latest actuarial valuation, December 31, 1989, the system is fully funded. The actuarial method used is the Frozen Initial Liability Modification of the Entry Age Normal Cost Method and it is expected that the system will continue to remain fully funded.

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## Note 11
## DEFERRED COMPENSATION PLAN

The State of Connecticut offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees in a permanent position, including elected and appointed officials and members of the General Assembly, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until retirement, termination of employment, disability, unforeseeable emergency or death.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant. At this time, the State believes that it is unlikely that it will use the assets of the plan to satisfy the claims of general creditors in the future.

Based on Article V of the State of Connecticut Deferred Compensation Plan, the State has no liability for losses under any employee selected plan. The State does have the duty of due care that would be required of an ordinary prudent investor.

## Note 12
## POST-RETIREMENT BENEFITS

In addition to providing pension benefits, the State also provides certain health care and life insurance benefits for retired employees. Health care benefits include hospital claims, medical/surgical claims, prescription drug claims, dental claims and major medical claims. Substantially all employees of the State of Connecticut are eligible for those benefits if they reach normal retirement age while working for the State. When employees retire, the State pays 100% of their health insurance cost. In addition, a portion of the employees' life insurance will be continued at no cost to the employee. The State funds the cost of postretirement health care and life insurance benefits on a pay-as-you-go basis. Such costs are paid from the General Fund's annual appropriations. During the year ended June 30, 1990, $48,357 was paid in post-retirement benefits through an appropriation in the General Fund.

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## Note 13
## CAPITAL AND OPERATING LEASES

### A. State as Lessee

Obligations under capital leases and operating leases as of June 30, 1990, were $10,514 for capital leases and $13,462 for noncancelable operating leases in excess of one year. The following is a schedule of annual future minimum payments under these obligations along with the present value of the related net minimum capital lease payments discounted at 8% as of June 30, 1990:

| | | Capital Leases | | |
|---|---|---|---|---|
| | Operating Leases | Higher Educ. | General Long-term | Total Capital |
| 1991 | $5,988 | $570 | $4,984 | $5,554 |
| 1992 | 4,035 | 534 | 3,120 | 3,654 |
| 1993 | 2,429 | 158 | 1,113 | 1,271 |
| 1994 | 596 | 7 | 21 | 28 |
| 1995 | 140 | — | 7 | 7 |
| Thereafter | 274 | — | — | — |
| Total future minimum payments | $13,462 | 1,269 | 9,245 | 10,514 |
| Less: Imputed interest | | 115 | 729 | 844 |
| Present value of net minimum lease payments | | $1,154 | $8,516 | $9,670 |

Rental and lease payments for equipment charged to expenditures during the year ended June 30, 1990 totaled $31,419.

**B. State as Lessor**

The State leases building space, land, and equipment to private individuals. The minimum future lease revenues for the next five years and thereafter are as follows:

| | |
|---|---|
| 1991 | $17,359 |
| 1992 | 17,924 |
| 1993 | 18,052 |
| 1994 | 18,700 |
| 1995 | 17,627 |
| Thereafter | 36,352 |
| Total | $126,014 |

Contingent revenues for the year ended June 30, 1990 were $1,866.

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## Note 14
## CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 1990:

| | Balance July 1, 1989 | Issuances and Other Increases | Retirements and Other Decreases | Increase in Accreted Value of Capital Appreciation Bonds | Balance June 30,1990 |
|---|---|---|---|---|---|
| General Obligation Bonds | $1,909,748 | $ 585,637 | $155,496 | $28,148 | $2,368,037 |
| Transportation Related Bonds | 1,322,743 | 632,778 | 75,380 | 1,261 | 1,881,402 |
| Unfunded Pension Costs | 3,103,618 | 901,605 | 673,843 | — | 3,331,380 |
| Compensated Absences | 135,867 | 39,213 | 34,527 | — | 140,553 |
| Worker's Compensation | 204,274 | 42,429 | 46,621 | — | 200,082 |
| Capital Leases | 9,104 | 4,899 | 5,487 | — | 8,516 |
| Total General Long-Term Debt Account Group | $6,685,354 | $2,206,561 | $991,354 | $29,409 | $7,929,970 |

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types reflects the net proceeds from sale of bonds in the amount of $1,213.1 million. This amount includes discounts on the sale of certain bonds and accrued interest received at the time of sale. The net decrease from the gross bond proceeds was $5.3 million for the 1990 fiscal year.

## Note 15
## DEBT
### A. Short-Term Debt
Up to $539.4 million of general obligation temporary notes may be issued by the State with these notes having the full faith and credit of the state pledged for payment of principal and interest. As of June 30, 1990, $109.2 million of notes payable were outstanding to Security Pacific National Trust Company at an average interest rate of 6.144% and maturing between July 1990 and Sept. 1990. Additionally, the Dai-Ichi Kangyo Bank, Limited has issued a revolving line of credit in the amount of $550.0 million of which $539.4 may be advanced with respect to the payment of the above notes and $10.6 million may be advanced with respect to the payment of up to 60 days interest on the notes. As of June 30, 1990, no amount was outstanding on the line of credit.

Connecticut Resources Recovery Authority has issued short-term notes payable to provide funds for operations until long-term bonds are issued to finance each of the resource recovery facilities. As of June 30, 1990, a notes payable of $6.9 million has been issued which matures in June 1991 with interest at 6% not due until maturity. The Authority has also established a letter of credit with Connecticut National Bank in the amount of $7.3 million with respect to the short-term borrowing. As of June 30, 1990, no amount was outstanding on the letter of credit.

### B. Long-Term Debt
#### General Obligation Bonds
General obligation bonds are those bonds that are paid out of the revenues of the General fund and that are supported by the full faith and credit of the State.

General obligation bonds outstanding and bonds authorized but unissued at June 30 were as follows:

| Purpose of Bonds | Final Maturity Dates | Interest Rates | Amount Outstanding | Authorized But Unissued |
|---|---|---|---|---|
| Capital Improvements | 1990-2009 | 4-12.7% | $1,201,316 | $532,626 |
| Teacher Retirement | 1990 | 5% | 1,250 | ---- |
| School Construction | 1990-2008 | 4.25-12% | 141,814 | 96,116 |
| Municipal Redevelopment | 1990-2010 | 4.25-11.2% | 543,876 | 220,232 |
| Elderly Housing | 1990-2009 | 4.25-10% | 58,959 | 17,791 |
| Elimination of Water Pollution | 1991-2010 | 4.25-9.20% | 202,152 | 137,173 |
| General Obligation Refunding | 2002 | 4.2-7.35% | 152,730 | ---- |
| Miscellaneous | 1992-2008 | 6.646-12.7% | 34,044 | 16,751 |
| | | | 2,336,141 | $1,020,689 |
| Accretion-Various Capital Appreciation Bonds | | | 31,896 | |
| | | Total | $2,368,037 | |

Future amounts needed to pay principal and interest on general obligation bonds outstanding at June 30, 1990 were as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 1991 | $ 169,825 | $ 132,193 | $ 302,018 |
| 1992 | 167,540 | 119,130 | 286,670 |
| 1993 | 155,525 | 106,691 | 262,216 |
| 1994 | 162,399 | 100,680 | 263,079 |
| 1995 | 186,875 | 116,090 | 302,965 |
| Thereafter | 1,493,977 | 1,133,750 | 2,627,727 |
| | $2,336,141 | $1,708,534 | $4,044,675 |

### Transportation Related Bonds

Transportation related bonds include special tax obligation bonds and general obligation bonds that are paid out of revenues pledged or earned in the Transportation Fund. The revenue pledged or earned in the Transportation Fund to pay special tax obligation bonds is transferred to the debt service fund for retirement of principal and interest.

Transportation related bonds outstanding and bonds authorized but unissued at June 30 were as follows:

| Purpose of Bonds | Final Maturity Dates | Interest Rates | Amount Outstanding | Bonds Authorized But Unissued |
|---|---|---|---|---|
| Public Transportation | 1991-99 | 4.5-12% | $ 42,845 | $ 10,386 |
| Interstate and Defense Highways | 1993-2004 | 4.5-9.1% | 56,750 | 5,935 |
| Specific Highways | 1991-2003 | 4-12.7% | 174,745 | 19,900 |
| Infrastructure Improvements | 2002-2010 | 4.2-9.75% | 1,563,381 | 1,139,845 |
| Miscellaneous | 1991-2008 | 6.5-12.7% | 41,874 | 7,668 |
| | | | 1,879,595 | $1,183,734 |
| Accretion-Various Capital Appreciation Bonds | | | 1,807 | |
| | | Total | $1,881,402 | |

Future amounts required to pay principal and interest on transportation related bonds outstanding at June 30 were as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 1991 | $ 78,720 | $ 131,808 | $ 210,528 |
| 1992 | 89,275 | 125,674 | 214,949 |
| 1993 | 91,225 | 120,072 | 211,297 |
| 1994 | 84,459 | 115,594 | 200,053 |
| 1995 | 89,235 | 108,557 | 197,792 |
| Thereafter | 1,446,681 | 787,217 | 2,233,898 |
| | $1,879,595 | $1,388,922 | $3,268,517 |

## Revenue Bonds

Revenue bonds are those bonds that are paid out of resources pledged in the enterprise and higher education and university hospital funds. Revenue bonds of the enterprise funds issued by the Connecticut Housing Finance Authority, Connecticut Development Authority and Connecticut Resources Recovery Authority do not constitute a liability or debt of the State and the State is only contingently liable for these bonds. Revenue bonds outstanding at June 30 were as follows:

| Fund Type | Maturity Dates | Interest Rates | Amounts Outstanding |
|---|---|---|---|
| Enterprise: | | | |
| Bradley International Airport | 1989-2012 | 9-10.75% | $ 101,785 |
| Conn. Development Authority | 1990-2024 | 3.75-14% | 1,865,571 |
| Conn. Housing Finance Authority (as of 12-31-89) | 1990-2023 | 3.1-13% | 2,555,670 |
| Conn. Resources Recovery Authority | 1989-2015 | 5.75-9% | 439,919 |
| Rental Housing | 2000-2008 | 5.25-12.70% | 128,030 |
| Discount on CHFA bonds sold | | | (25,414) |
| Higher Education & University Hospitals: | | | |
| State Universities | 1991-2012 | 4.25-10.75% | 32,430 |
| Total | | | $5,097,991 |

The following is a description of revenue bonds with restrictive covenants:

Bradley International Airport's revenue bonds were issued in 1982 in the amount of $100,000 to finance costs of improvements to the airport, of this amount $1,175 has become current and $2,070 has been repaid. These bonds are secured by and payable solely from the gross operating revenues generated from the operations of the airport and other receipts, funds or monies pledged in the bond indenture. In accordance with this indenture, certain assets of this fund have been restricted for the payment of bond principal and interest, construction projects and other uses.

Connecticut Development Authority's revenue bonds are issued to finance such projects as the acquisition of land, buildings and equipment and machinery by participating companies within the State. The Authority finances these projects through its self-sustaining bond program and umbrella program. Under the self-sustaining bond program, bonds outstanding at June 30, 1990 were $1,689,998. These bonds are paid solely from the payments received from participating companies on outstanding notes and installment contracts receivable and do not constitute a debt or liability of the State. Under the umbrella program, bonds outstanding at June 30, 1990 were $175,574. At year end, assets totaling $184,194 are pledged under the terms of the bond resolution for the payment of principal and interest on these bonds until such time as it is determined that there are surplus funds as defined in the bond resolution. In addition, a special capital reserve fund equal to next year's bond debt service requirements has been established. The State may be contingently liable to restore any deficiency that may exist in this fund in any one year in the event that the Authority is unable to do so. As of year end, there was no deficiency in this fund.

Connecticut Housing Finance Authority's revenue bonds are issued to finance the purchase, development and construction of housing for low and moderate income families and persons throughout the State. These bonds are paid solely from mortgage repayments and other receipts, funds or monies pledged in the bond resolution. In accordance with this resolution:

a) Fund assets totaling $2,774,204 at year-end (12-31-89) are restricted for the payment of operating expenses, bond principal and interest and requirements of the capital reserve fund until such time as they are determined to be surplus funds as described in the bond resolution.

b) Under the terms of the Authority's general bond resolution, the capital reserve fund must be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year. The State may be contingently liable to restore any deficiencies that may exist in this fund in any one year in the event that the Authority is unable to do so. As of year end, there was no deficiency in this fund.

Connecticut Resources Recovery Authority's revenue bonds are issued to finance the design, development and construction of resource recovery facilities throughout the State. These bonds are paid solely from the revenues generated from the operations of the Authority and other receipts, accounts and monies pledged in the bond indentures. In accordance with these indentures, certain capital reserve funds equal to the maximum amount of principal installments and interest maturing and becoming due in any one fiscal year have been established. The State may be contingently liable to restore any deficiencies that may exist in these funds in any one year in the event that the Authority is unable to do so. As of year end, there were no deficiencies in these funds.

Future amounts required to pay principal and interest on revenue bonds outstanding at June 30, 1990 were as follows:

| Year Ending June 30, | Enterprise Funds | | Higher Education and University Hospital Funds | | Total | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 1991 | $ 192,506 | $ 383,612 | $ 2,360 | $ 2,446 | $ 194,866 | $ 386,058 |
| 1992 | 201,980 | 369,863 | 1,720 | 2,209 | 203,700 | 372,072 |
| 1993 | 224,234 | 354,726 | 1,490 | 2,069 | 225,724 | 356,795 |
| 1994 | 225,934 | 337,967 | 3,240 | 1,922 | 229,174 | 339,889 |
| 1995 | 238,798 | 320,455 | 5,240 | 1,497 | 244,038 | 321,952 |
| Thereafter | 4,007,523 | 3,445,396 | 18,380 | 15,364 | 4,025,903 | 3,460,760 |
| | $5,090,975 | $5,212,019 | $32,430 | $25,507 | $5,123,405 | $5,237,526 |

## Defeased Bonds

In prior years, the State defeased certain general obligation bonds by placing surplus cash and the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account asset and the liability for the defeased bonds are not included in the State's General Long-term Debt Account Group. On June 30, 1990, $182.8 million of bonds outstanding are considered defeased.

## Note Payable

An installment note for $12.3 million to acquire a telecommunication system was established between the University of Connecticut and Connecticut Bank and Trust Co. in 1988 with an interest rate of 7.55% and final maturity in April 1999. Future amounts required to pay principal and interest on the note outstanding were as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 1991 | $ 860 | $ 850 | $ 1,710 |
| 1992 | 924 | 786 | 1,710 |
| 1993 | 992 | 718 | 1,710 |
| 1994 | 1,066 | 644 | 1,710 |
| 1995 | 1,145 | 565 | 1,710 |
| Thereafter | 6,068 | 1,345 | 7,413 |
| | $11,055 | $4,908 | $15,963 |

## Note 16
## INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 1990 were as follows:

| Fund | Interfund Receivable | Interfund Payable |
|---|---|---|
| General | $ 13,289 | $ 436,424 |
| Special Revenue: | | |
| Transportation | 96,648 | 530 |
| Regional Market | — | 7 |
| Soldiers, Sailors & Marines | — | 494 |
| Employment Security | 139 | 570 |
| Grant and Loan Programs | — | 98 |
| Environmental Programs | 296 | — |
| Housing Programs | — | 1,318 |
| Other | 2,608 | 175 |
| | 99,691 | 3,192 |
| Debt Service | — | 270 |
| Capital Projects: | | |
| State Facilities | 74,784 | 5,268 |
| Infrastructure | 200,266 | 581 |
| Transportation | 54,902 | 24 |
| | 329,952 | 5,873 |
| Enterprise: | | |
| Rental Housing | — | 827 |
| Bradley | 215 | 694 |
| Ct. Development Authority | 157 | — |
| Vocational Education | — | 1 |
| | 372 | 1,522 |
| Internal Service: | | |
| Correction Industries | 341 | 2 |
| Administrative Services | 2,962 | 402 |
| | 3,303 | 404 |
| Non-Expendable Trust: | | |
| Soldiers, Sailors & Marines | 483 | — |
| Expendable Trust: | | |
| Employment Security | 308 | 139 |
| Other | — | 237 |
| | 308 | 376 |
| Pension Trust: | | |
| State Employees | 2,302 | — |
| Probate Judges | 29 | 29 |
| | 2,331 | 29 |
| Agency: | | |
| Payroll & Fringe Benefit | 1,876 | — |
| Receipts Pending Distribution | — | 15,360 |
| Other | 9,782 | 106 |
| | 11,658 | 15,466 |
| Higher Education & University Hospital: | | |
| Current Unrestricted | 5,157 | 1,457 |
| Current Restricted | 124 | 1,134 |
| Hospital Funds | — | 18 |
| Endowment Funds | — | 4 |
| Loan Funds | — | 97 |
| Agency Funds | — | 370 |
| Plant Funds | — | 32 |
| | 5,281 | 3,112 |
| Totals | $466,668 | $466,668 |

## Note 17
## RESTATEMENTS

During the fiscal year ended June 30, 1990, additional information pertaining to Fund Equity for the previous year became available. This information has necessitated certain changes to be made to these balances for the fiscal year ended June 30, 1989 to better conform with the governmental model.

The following schedule details the restatements made to Fund Equity as of June 30, 1989, to give retroactive effect to these changes:

| | Balance June 30, 1989 Previously Reported | Effects of Changes in Prior Year Reported Assets and Liabilities | Balance June 30, 1989 Restated |
|---|---|---|---|
| Pension Trust | $6,741,604 | $ 49 | $6,741,653 |
| Higher Education | 1,062,994 | 18,944 | 1,081,938 |
| Total Adjustments | | $ 18,993 | |

Also, during fiscal 1990, the Connecticut Resources Recovery Authority corrected its accounting method for recognition of long-term debt and related assets to properly reflect Authority assets and liabilities of the Wallingford and Southeastern project funds. Accordingly, long-term debt of $176.4 million issued under these financial arrangements and related assets of $176.4 million have been removed from these funds. The correction had no effect on net income of the funds for the year ended June 30, 1989.

## Note 18
## RESERVED RETAINED EARNINGS AND FUND BALANCES

Reserved Retained Earnings

The following enterprise funds have reserved amounts in Retained Earnings. The Connecticut Housing Finance Authority has $305,822 restricted for debt service requirements and other programs of the Authority. Bradley International Airport has $14,243 restricted by the bond indenture for various purposes.

Reserved Fund Balances

These balances are comprised as follows:

| | Fund Type | | | | |
|---|---|---|---|---|---|
| Reserved For | General | Special Revenue | Debt Service | Trust and Agency | Higher Education |
| Petty Cash | $ 1,045 | $ — | $ — | $ — | $ — |
| Long-Term Advances | 76,477 | — | — | — | — |
| Inventory and Prepaids | 29,700 | 8,635 | — | — | — |
| Continuing Appropriations | 24,670 | 78,294 | — | — | — |
| Debt Service | — | — | 291,621 | — | — |
| Loans | — | 201,245 | — | — | — |
| Benefit Payments | — | — | — | 186,884 | — |
| Pension Obligations | — | — | — | 7,743,581 | — |
| Trust Activities | — | — | — | 56,820 | — |
| Higher Education | — | — | — | — | 78,213 |
| | $131,892 | $288,174 | $291,621 | $7,987,285 | $78,213 |

Reserved for continuing appropriations represents amounts of unexpended appropriations legally carried forward and available for encumbrance and expenditures in the succeeding year.

Reserved for benefit payments represents amounts reserved for the payment of unemployment compensation benefits.

Reserved for higher education represents amounts restricted for specific educational programs by federal grants and private gifts, and amounts reserved for student loans and debt service.

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## Note 19
## SEGMENT INFORMATION - ENTERPRISE FUNDS

The State maintains six enterprise funds which provide financing for State housing programs, airport services, low-interest loans for the State's business community, low and moderate income housing, solid waste management, and vocational education.

Segment information for the year ended June 30, 1990 is as follows:

| | RENTAL HOUSING | BRADLEY INTERNAT'L AIRPORT | CONNECTICUT DEVELOPMENT AUTHORITY | CONNECTICUT HOUSING FINANCE AUTHORITY (12-31-89) | CONNECTICUT RESOURCES RECOVERY AUTHORITY | VOCATIONAL EDUCATION |
|---|---|---|---|---|---|---|
| Operating Revenue | $ 11,783 | $29,502 | $ 151,445 | $ 248,235 | $ 123,868 | $1,226 |
| Depreciation and Amortization Expense | 5 | 4,804 | 391 | 3,228 | 13,148 | 5 |
| Operating Income (Loss) | (1,121) | 8,987 | 3,887 | 30,214 | 17,761 | 389 |
| Operating Transfers: Out | (779) | — | — | — | — | — |
| Net Non-operating Revenues (Expenses) | — | (2,752) | — | — | (7,311) | — |
| Net Income (Loss) | (1,900) | 6,235 | 3,887 | 30,214 | 10,450 | 389 |
| Current Capital: Contributions | — | 5,353 | 3,500 | — | 900 | — |
| Property, Plant & Equipment: Additions (Deletions) | 5 | 12,815 | — | — | 14,052 | (10) |
| Net Working Capital | 9,198 | 4,524 | 52,971 | 193,234 | 9,685 | 238 |
| Total Assets | 151,660 | 180,887 | 1,935,847 | 2,958,097 | 491,364 | 355 |
| Bond and Other Long-Term Liabilities: Payable from Operating Revenues | 128,030 | 101,785 | 1,865,571 | 2,530,256 | 439,919 | — |
| Total Equity | (53,893) | 73,112 | 66,632 | 348,045 | 24,832 | 260 |

## Note 20
## RELATED PARTY TRANSACTIONS

The University of Connecticut receives financial support from the University of Connecticut Foundation, Inc., whose financial operations are not recorded in the University of Connecticut's financial statements. A summary of assets, liabilities, revenues and expenditures for the Foundation as of June 30, 1990, is reported below (in thousands):

| | | | |
|---|---|---|---|
| Assets | $33,421 | Liabilities | $5,222 |
| Revenues | $7,483 | Expenditures | $11,340 |

Of the Foundation's expenditures, $6,425 represents direct transfers to the University, while $72 of its liabilities were for amounts payable to the University.

## Note 21
## COMMITMENTS AND CONTINGENCIES

### A. Commitments

At June 30, 1990, the State had the following outstanding commitments:

1) Infrastructure (highways, roads, etc.) and other construction contracts and miscellaneous contracts with various vendors totaling approximately $1,387 million of which $1,047 million is expected to be reimbursed by Federal grants.

2) School buildings construction and alteration grant contracts with various towns totaling approximately $423 million. Funding for these projects is expected to come from bond sales.

3) Loan, mortgage and grant programs totaling approximately $600 million. Funding for these programs is expected to come from bond sales.

### B. Contingent Liabilities

The Division of Special Revenue, the agency responsible for the Lottery Fund, has entered into agreements with insurance companies under which the Lottery Fund purchases annuities under group contracts which provide payments corresponding to the State's obligation to prize winners. Not withstanding these annuity contracts, the State of Connecticut is contingently liable for the prize payments due lottery winners. At June 30, 1990, amounts due lottery winners totaled $638.1 million.

The State is contingently liable to the Connecticut Higher Education Supplemental Loan Authority for any deficiency that may exist in the debt service reserve account for one year's principal and interest on Authority bonds in the event that the Authority has insufficient funds to do so. At year end, the Authority had $19.9 million in bonds outstanding.

The State has enacted legislation to assist the City of Bridgeport in issuing bonds to fund the city's cumulative June 30, 1988 General Fund deficit. The State is contingently liable for amounts needed annually to maintain a capital reserve fund in an amount equal to the required minimum capital reserve of such fund. The maximum principal amount authorized to be secured by the capital reserve fund is $35 million which amount has been issued and is outstanding.

The State has entered into a contractual agreement with H.N.S. Management Company, Inc. and ATE Management and Service Company, Inc. to manage and operate the bus transportation system for the State. The State shall pay all expenses of the system including all past, present and future pension plan liabilities of the personnel employed by the system and any other fees as agreed upon. When the agreement is terminated the State shall assume or make arrangements for the assumption of all the existing obligations of the management companies including but not limited to all past, present and future pension plan liabilities and obligations.

The State receives significant federal financial assistance. Entitlement to federal grant monies is generally dependent upon the State's compliance with the terms and conditions of the grant agreements and applicable federal regulations. Substantially all federal grant programs are subject to financial and compliance audits by the grantor agencies. Any disallowances that result from these audits become a liability of the fund which receives the grant. As of June 30, 1990, the State estimates that nonmaterial liabilities, if any, may result from such audits.

### C. Litigation

The State, its units and employees are parties to numerous legal proceedings many of which normally occur in governmental operations. All legal proceedings are not, in the opinion of the Attorney General, likely to have a material adverse impact on the State's financial position.

In addition, the State and its units are involved in certain other legal proceedings which, if decided adversely to the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on the future expenditures or revenue sources of the State.

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## Note 22
## SUBSEQUENT EVENTS

Subsequent to year end, the State of Connecticut had five bond issues totaling $957.2 million.

In July, $325 million of general obligation bonds were issued, consisting of $248.6 million of serial bonds maturing on various dates through the year 2006 and having interest rates of 6.2% to 9.5%, and $76.4 million in 6.875% term bonds maturing in 2010.

In September, $200 million of general obligation bonds were issued, consisting of $172.5 million of serial bonds maturing on various dates through 2005 and having interest rates of 6.40% to 9.75%, and $27.5 million in 7% term bonds maturing in 2010.

In November, the State issued $130.6 million of general obligation bonds consisting of $80.6 million in capital appreciation bonds (college savings plan) and $50.0 million of serial bonds. The capital appreciation bonds earn interest which will be compounded semiannually and will be payable at maturity with maturity dates ranging from 1995 to 2010 at interest rates ranging from 6.63% to 7.38%. The serial bonds mature on various dates through the year 2000 and have interest rates of 6.10% to 8.0%. The total redemption amount for the capital appreciation bonds is $185 million.

In December, $250 million of second lien special tax obligation variable rate demand bonds for transportation infrastructure purposes were issued. The bonds are secured by an irrevocable letter of credit and were covered by interest rate swap contracts which effectively converts the bonds to 6.2% fixed rate instruments. The bonds have a nominal maturity date of 2010 but are subject to a specific schedule of mandatory redemption starting in 1992 such that they are effectively serial bonds from the State's perspective.

Also in December, $51.6 million of taxable general obligation serial bonds were issued, maturing at various dates through 2001 and having interest rates of 8.2% to 11%.

In late December, a class-action lawsuit concerning certain policies and practices of the State Department of Children and Youth Services (DCYS) was resolved through a mediation panel. The panel's decision will require increased training for DCYS employees and foster parents, reduced caseloads for DCYS workers, uniform standards for the handling of abuse and neglect cases, and other changes in the Department. At this time no deadlines have been set nor has the cost of implementation been determined.

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# REQUIRED PERS SUPPLEMENTARY INFORMATION

## State of Connecticut
## Required Supplementary Information
## Analysis of Fund Progress
## (In Millions)

| Fiscal Year | (1) Net Assets available for benefits* | (2) Pension benefit obligation | (3) % funded (1)/(2) | (4) Unfunded Pension benefit obligation (2)-(1) | (5) Annual covered payroll | (6) Unfunded pension benefit obligation as a percentage of covered payroll (4)/(5) |
|---|---|---|---|---|---|---|
| **State Employees' Retirement System** | | | | | | |
| 1988 | $1,844.6 | $4,089.3 | 45.1% | $2,244.7 | $1,429.1 | 157.1% |
| 1989 | $2,166.5 | $4,550.7 | 47.6% | $2,384.2 | $1,583.0 | 150.6% |
| 1990 | $2,552.1 | $5,071.6 | 50.3% | $2,519.5 | $1,759.6 | 143.2% |
| **Teachers' Retirement System** | | | | | | |
| 1988 | $2,880.3 | $6,293.7 | 45.8% | $3,413.4 | $1,193.5 | 286.0% |
| 1989 | $3,275.2 | $6,856.7 | 47.8% | $3,581.5 | $1,370.0 | 261.4% |
| 1990 | $3,744.8 | $7,090.2 | 52.8% | $3,345.4 | $1,540.8 | 217.1% |
| **Judicial Retirement System** | | | | | | |
| 1988 | $15.3 | $95.4 | 16.0% | $80.1 | $9.7 | 825.8% |
| 1989 | $21.9 | $107.5 | 20.4% | $85.6 | $10.5 | 815.2% |
| 1990 | $30.0 | $114.0 | 26.3% | $84.0 | $11.8 | 711.9% |

Isolated analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the State of Connecticut PERS funding status on a going-concern basis. Analysis of this percentage, over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage,the stronger the PERS. Trends in unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

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* Net assets are presented at cost

# State of Connecticut
# State Employees' Retirement System
## Required Supplementary Information
## Revenues by Source and Expenses by Type
(In Thousands)

| Fiscal Year | Employee Contributions | Revenues by Source<br>State Contributions<br>Dollar Amount | <br><br>% of annual covered payroll | Investment Income | Other | Total |
|---|---|---|---|---|---|---|
| 1981 | $25,238 | $117,281 | 16.9% | $30,574 | $25,961 | $199,054 |
| 1982 | $25,699 | $123,867 | 15.9% | $45,665 | $33,445 | $228,676 |
| 1983 | $27,111 | $136,759 | 15.7% | $55,237 | $40,178 | $259,285 |
| 1984 | $28,957 | $158,751 | 16.2% | $66,925 | $37,146 | $291,779 |
| 1985 | $30,100 | $196,202 | 18.7% | $76,455 | $38,586 | $341,343 |
| 1986 | $30,493 | $234,192 | 19.7% | $89,773 | $39,496 | $393,954 |
| 1987 | $27,783 | $275,816 | 21.2% | $102,819 | $42,954 | $449,372 |
| 1988 | $28,025 | $272,298 | 19.1% | $144,635 | $50,593 | $495,551 |
| 1989 | $28,710 | $324,315 | 20.5% | $180,842 | $48,950 | $582,817 |
| 1990 | $29,198 | $288,368 | 16.4% | $260,649 | $53,642 | $631,857 |

| Fiscal Year | Benefits | Expenses by Type<br>Administrative expenses | Refunds | Other | Total |
|---|---|---|---|---|---|
| 1981 | $90,776 | $7 | $4,662 | $43 | $95,488 |
| 1982 | $99,362 | $25 | $4,349 | $20 | $103,756 |
| 1983 | $107,190 | $19 | $16,217 | - | $123,426 |
| 1984 | $114,841 | $215 | $11,435 | - | $126,491 |
| 1985 | $126,749 | $117 | $13,617 | - | $140,483 |
| 1986 | $140,168 | $111 | $5,799 | $74 | $146,152 |
| 1987 | $154,860 | $120 | $2,803 | - | $157,783 |
| 1988 | $171,668 | $165 | $2,680 | $589 | $175,102 |
| 1989 | $192,552 | $1,875 | $2,216 | $540 | $197,183 |
| 1990 | $248,425 | $533 | $1,847 | $676 | $251,481 |

Contributions were made in accordance with actuarially determined contribution requirements for fiscal years 1981 through 1989. In 1990 the actuarially determined contribution requirement was $354.4 million while the actual contribution was $341.4 million.

## State of Connecticut
## State Teachers' Retirement System
## Required Supplementary Information
## Revenues by Source and Expenses by Type
## (In Thousands)

| | | Revenues by Source | | | | |
|---|---|---|---|---|---|---|
| | | State Contributions | | | | |
| Fiscal Year | Employee Contributions | Dollar Amount | % of annual covered payroll | Investment Income | Other | Total |
| 1981 | $46,015 | $64,394 | 9.3% | $87,996 | – | $198,405 |
| 1982 | $49,134 | $76,203 | 10.4% | $109,644 | – | $234,981 |
| 1983 | $53,066 | $97,108 | 12.6% | $108,775 | – | $258,949 |
| 1984 | $56,658 | $120,519 | 14.6% | $136,649 | – | $313,826 |
| 1985 | $61,125 | $146,379 | 16.5% | $152,322 | – | $359,826 |
| 1986 | $67,052 | $175,765 | 18.0% | $167,173 | – | $409,990 |
| 1987 | $75,517 | $204,724 | 19.2% | $187,468 | – | $467,709 |
| 1988 | $89,607 | $242,512 | 20.3% | $237,187 | – | $569,306 |
| 1989 | $100,075 | $282,917 | 20.6% | $269,767 | – | $652,759 |
| 1990 | $106,922 | $321,639 | 20.9% | $351,212 | $1,381 | $781,154 |

| | Expenses by Type | | |
|---|---|---|---|
| Fiscal Year | Benefits | Refunds | Total |
| 1981 | $84,841 | $13,034 | $97,875 |
| 1982 | $94,321 | $14,146 | $108,467 |
| 1983 | $106,025 | $10,824 | $116,849 |
| 1984 | $117,644 | $9,730 | $127,374 |
| 1985 | $127,787 | $11,466 | $139,253 |
| 1986 | $140,955 | $10,610 | $151,565 |
| 1987 | $154,840 | $6,515 | $161,355 |
| 1988 | $168,867 | $5,591 | $174,458 |
| 1989 | $183,724 | $5,846 | $189,570 |
| 1990 | $210,699 | $6,783 | $217,482 |

Contributions were made in accordance with actuarially determined contribution requirements for fiscal years 1981 through 1988. In 1989 and 1990 the actuarially determined contribution requirements were $302.9 million and $348.6 million respectively, while the actual contributions made were $282.9 million and $321.6 million respectively.

# State of Connecticut
# Judicial Retirement System
## Required Supplementary Information
## Revenues by Source and Expenses by Type
(In Thousands)

| | | Revenues by Source | | | |
|---|---|---|---|---|---|
| | | State Contributions | | | |
| Fiscal Year | Employee Contributions | Dollar Amount | % of annual covered payroll | Investment Income | Total |
| 1982 | $200 | $1,859 | 46.4% | $21 | $2,080 |
| 1983 | $301 | $3,234 | 53.8% | $23 | $3,558 |
| 1984 | $370 | $4,220 | 60.1% | $41 | $4,631 |
| 1985 | $388 | $5,966 | 76.0% | $222 | $6,576 |
| 1986 | $451 | $7,317 | 88.7% | $415 | $8,183 |
| 1987 | $490 | $8,605 | 97.8% | $599 | $9,694 |
| 1988 | $561 | $9,919 | 102.1% | $1,058 | $11,538 |
| 1989 | $607 | $10,430 | 99.0% | $1,698 | $12,735 |
| 1990 | $688 | $10,833 | 91.5% | $3,014 | $14,535 |

| | Expenses by Type | | | |
|---|---|---|---|---|
| Fiscal Year | Benefits | Administrative & other expenses | Refunds | Total |
| 1982 | $2,001 | - | - | $2,001 |
| 1983 | $3,064 | $17 | - | $3,081 |
| 1984 | $3,478 | $12 | $13 | $3,503 |
| 1985 | $3,761 | $12 | ($13) | $3,760 |
| 1986 | $4,188 | $9 | - | $4,197 |
| 1987 | $4,550 | $2 | $9 | $4,561 |
| 1988 | $4,931 | $10 | - | $4,941 |
| 1989 | $5,383 | $184 | $17 | $5,584 |
| 1990 | $5,876 | $3 | $17 | $5,896 |

Contributions were made in accordance with actuarially determined contribution requirements.

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# COMBINING FINANCIAL STATEMENTS

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# SPECIAL REVENUE FUNDS

Special Revenue funds account for the proceeds of specific revenue sources (other than expendable trusts, major capital projects and higher education and university hospital sources) that are legally restricted for specified purposes. Significant Special Revenue Funds include the following:

Transportation Fund - to account for motor vehicle related taxes, receipts and transportation related federal revenues collected for the purposes of payment of debt service requirements and budgeted appropriations made to the Department of Transportation. The Department of Transportation is responsible for all aspects of the planning, development, maintenance and improvement of transportation in the state.

Regional Market Fund - to account for rents and other monies collected for the purpose of providing for the payment of expenses relating to the operation and maintenance of the regional market.

Soldiers, Sailors and Marines Fund - to account for interest earned or accumulated interest for the purpose of furnishing food, wearing apparel, medical or surgical care, or funeral expenses of soldiers, sailors and marines who served in any branch of military service.

Employment Security Administration - to account for monies collected from various sources for the purpose of defraying the cost of the administration of unemployment compensation.

Lottery and Off Track Betting - to account for lottery and off track betting proceeds collected for the purposes of paying prizes and certain compensation to agents or claim centers. Balances in excess of the needs of the fund are transferred to the General Fund from time to time as determined by the executive director.

Grants and Loan Programs - to account for monies collected for the purpose of giving various grants to local governments, organizations and individuals.

Environmental Programs - to account for monies collected for the purpose of providing funds for various environmental programs throughout the state.

Housing Programs - to account for monies collected for the purpose of providing funds for various housing programs throughout the state.

**STATE OF CONNECTICUT**
**Combining Balance Sheet**
**Special Revenue Funds**
**June 30, 1990**
**(Expressed in Thousands)**

| | Transportation | Regional Market | Soldiers Sailors & Marines |
|---|---|---|---|
| **Assets:** | | | |
| Cash and Cash Equivalents | $ 30,606 | $237 | $614 |
| Receivables: | | | |
| Taxes | 29,093 | - | - |
| Accounts, Net of Allowances | 3,868 | - | - |
| Loans, Net of Allowances | - | - | - |
| Interest | 3,578 | 2 | 2 |
| Due From Other Funds | 96,648 | - | - |
| Receivable From Other Governments | 1,771 | - | - |
| Inventories and Prepaid Items | 8,635 | - | - |
| **Total Assets** | **$174,199** | **$239** | **$616** |
| **Liabilities and Fund Balances:** | | | |
| Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | $ 18,150 | $ 15 | $ 22 |
| Due to Other Funds | 530 | 7 | 494 |
| Payable to Other Governments | - | - | - |
| Advances Due Other Funds | - | - | - |
| Deferred Revenue | 34,604 | - | - |
| **Total Liabilities** | 53,284 | 22 | 516 |
| Fund Balances: | | | |
| Reserved for Inventory | 8,635 | - | - |
| Reserved for Continuing Appropriations | 78,294 | - | - |
| Reserved for Loans | - | - | - |
| Unreserved, undesignated | 33,986 | 217 | 100 |
| **Total Fund Balances** | 120,915 | 217 | 100 |
| **Total Liabilities and Fund Balances** | **$174,199** | **$239** | **$616** |

| Employment Security Administration | Lottery & OTB | Grant & Loan Programs | Environmental Programs | Housing Programs | Other | Total |
|---|---|---|---|---|---|---|
| $1,261 | $22,280 | $21,282 | $ 84,839 | $ 23,038 | $32,652 | $216,809 |
| | | | | | | |
| - | - | - | 3,495 | - | - | 32,588 |
| - | 3,974 | - | 2,900 | 576 | 701 | 12,019 |
| - | - | 30,202 | 62,167 | 108,876 | - | 201,245 |
| 9 | - | 94 | 212 | 53 | 134 | 4,084 |
| 139 | - | - | 296 | - | 2,608 | 99,691 |
| 1,469 | - | 206 | - | 319 | 111 | 3,876 |
| - | - | - | - | - | - | 8,635 |
| **$2,878** | **$26,254** | **$51,784** | **$153,909** | **$132,862** | **$36,206** | **$578,947** |
| | | | | | | |
| $1,754 | $19,392 | $ 3,801 | $ 3,157 | $ 338 | $ 6,366 | $ 52,995 |
| 570 | - | 98 | - | 1,318 | 175 | 3,192 |
| - | 165 | - | - | - | - | 165 |
| - | - | - | - | 33 | - | 33 |
| - | 920 | - | 10 | 358 | 225 | 36,117 |
| 2,324 | 20,477 | 3,899 | 3,167 | 2,047 | 6,766 | 92,502 |
| | | | | | | |
| - | - | - | - | - | - | 8,635 |
| - | - | - | - | - | - | 78,294 |
| - | - | 30,202 | 62,167 | 108,876 | - | 201,245 |
| 554 | 5,777 | 17,683 | 88,575 | 21,939 | 29,440 | 198,271 |
| 554 | 5,777 | 47,885 | 150,742 | 130,815 | 29,440 | 486,445 |
| **$2,878** | **$26,254** | **$51,784** | **$153,909** | **$132,862** | **$36,206** | **$578,947** |

## STATE OF CONNECTICUT
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**
**Special Revenue Funds**
**For The Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | Transportation | Regional Market | Soldiers Sailors & Marines |
|---|---|---|---|
| **Revenues:** | | | |
| Taxes | $ 308,087 | $ - | $ - |
| Licenses, Permits and Fees | 234,850 | 7 | - |
| Intergovernmental | 27,448 | - | - |
| Charges for Services | 17,748 | - | - |
| Fines, Forfeits and Rents | - | 576 | - |
| Investment Earnings | 28,051 | 20 | 649 |
| Lottery and Off Track Betting | - | - | - |
| Miscellaneous | - | - | - |
| **Total Revenues** | 616,184 | 603 | 649 |
| **Expenditures:** | | | |
| Current: | | | |
| General Government | 2,091 | - | 187 |
| Regulation and Protection | - | - | - |
| Natural Resources and Recreation | - | 515 | - |
| Health and Hospitals | - | - | - |
| Transportation | 427,265 | - | - |
| Human Services | - | - | 2,687 |
| Education, Libraries and Museums | - | - | - |
| Corrections | - | - | - |
| Judicial | - | - | - |
| Federal and Other Grants | 17,250 | - | - |
| Debt Service: | | | |
| Principal Retirement | 48,180 | 45 | - |
| Interest and Fiscal Charges | 38,707 | 89 | - |
| **Total Expenditures** | 533,493 | 649 | 2,874 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 82,691 | (46) | (2,225) |
| **Other Financing Sources (Uses):** | | | |
| Proceeds from Sale of Bonds | - | - | - |
| Operating Transfers In | 892 | - | 2,746 |
| Operating Transfers Out | (126,448) | - | (521) |
| **Total Other Financing Sources (Uses)** | (125,556) | - | 2,225 |
| **Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses** | (42,865) | (46) | - |
| **Fund Balances - July 1** | 163,858 | 263 | 100 |
| Residual Equity Transferred In | - | - | - |
| Residual Equity Transferred Out | - | - | - |
| Changes in Reserves for Inventories | (78) | - | - |
| **Fund Balances - June 30** | **$ 120,915** | **$217** | **$ 100** |

| Employment Security Administration | Lottery & OTB | Grant & Loan Programs | Environmental Programs | Housing Programs | Other | Total |
|---|---|---|---|---|---|---|
| $ - | $ - | $ - | $ 19,598 | $ - | $ 19 | $ 327,704 |
| 3 | - | - | 5,007 | - | 32,435 | 272,302 |
| 65,459 | - | 567 | 34,201 | - | - | 127,675 |
| 8 | - | - | 203 | - | 373 | 18,332 |
| - | - | 8,603 | - | 425 | 543 | 10,147 |
| 80 | - | 1,730 | 1,669 | 4,161 | 1,716 | 38,076 |
| - | 718,473 | - | - | - | - | 718,473 |
| - | 773 | - | 6,753 | 2,473 | 9,075 | 19,074 |
| 65,550 | 719,246 | 10,900 | 67,431 | 7,059 | 44,161 | 1,531,783 |
| - | 473,021 | 35,931 | 2,685 | 103,191 | 10,777 | 627,883 |
| 66,519 | - | 255 | - | - | 28,084 | 94,858 |
| - | - | 30,197 | 61,780 | - | - | 92,492 |
| - | - | 2,319 | - | - | - | 2,319 |
| - | - | 5,085 | - | - | - | 432,350 |
| - | - | 10,449 | 500 | 669 | - | 14,305 |
| - | - | 53,342 | 920 |  | 6,068 | 60,330 |
| - | - | 2,017 | - | - | - | 2,017 |
| - | - | - | - | - | 1,108 | 1,108 |
| - | - | - | 6,280 | - | - | 23,530 |
| - | - | - | - | - | - | 48,225 |
| - | - | - | - | - | - | 38,796 |
| 66,519 | 473,021 | 139,595 | 72,165 | 103,860 | 46,037 | 1,438,213 |
| (969) | 246,225 | (128,695) | (4,734) | (96,801) | (1,876) | 93,570 |
| - | - | 94,167 | 76,581 | 116,428 | 16,544 | 303,720 |
| 1,074 | - | 2,939 | 7,649 | 4,338 | - | 19,638 |
| - | (245,950) | (378) | (130) | (5,111) | (206) | (378,744) |
| 1,074 | (245,950) | 96,728 | 84,100 | 115,655 | 16,338 | (55,386) |
| 105 | 275 | (31,967) | 79,366 | 18,854 | 14,462 | 38,184 |
| 449 | 5,502 | 79,852 | 72,606 | 111,961 | 12,370 | 446,961 |
| - | - | - | - | - | 2,608 | 2,608 |
| - | - | - | (1,230) | - | - | (1,230) |
| - | - | - | - | - | - | (78) |
| **$ 554** | **$ 5,777** | **$ 47,885** | **$150,742** | **$130,815** | **$29,440** | **$ 486,445** |

## STATE OF CONNECTICUT
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Budget and Actual - Non-GAAP Budgetary Basis**
**Budgeted Special Revenue Funds**
**For the Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | Transportation | | |
|---|---|---|---|
| | Budget | Actual | Variance Favorable (Unfavorable) |
| **Budgeted Revenues:** | | | |
| Taxes, Net of Refunds | $310,200 | $ 308,087 | $ (2,113) |
| Licenses, Permits and Fees | 237,000 | 234,932 | (2,068) |
| Other | 26,800 | 29,069 | 2,269 |
| Federal Grants | 10,300 | 10,019 | (281) |
| **Total Budgeted Revenues** | 584,300 | 582,107 | (2,193) |
| **Expenditures:** | | | |
| General Government | 2,263 | 2,078 | 185 |
| Natural Resources and Recreation | - | - | - |
| Transportation | 355,129 | 338,620 | 16,509 |
| Human Services | - | - | - |
| Non Functional | 262,249 | 260,941 | 1,308 |
| Appropiations Lapsed | (18,002) | - | (18,002) |
| **Total Expenditures** | 601,639 | 601,639 | - |
| **Excess (Deficiency) of Revenues Over Expenditures** | (17,339) | (19,532) | (2,193) |
| **Other Financing Sources (Uses):** | | | |
| Federal and Other Restricted Sources | - | 20,239 | 20,239 |
| Federal and Other Restricted Uses | - | (20,239) | (20,239) |
| Transfers Between Funds | - | - | - |
| Miscellaneous Adjustments | - | 14 | 14 |
| **Total Other Financing Sources (Uses)** | - | 14 | 14 |
| **Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses** | **$ (17,339)** | (19,518) | **$ (2,179)** |
| **Budgetary Fund Balances - July 1** | | 447,133 | |
| Changes in Reserves | | (220,648) | |
| **Budgetary Fund Balances - June 30** | | **$ 206,967** | |

| Regional Market | | | Soldiers, Sailors and Marines | | | Total | | |
|---|---|---|---|---|---|---|---|---|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| $ - | $ - | $ - | $ - | $ - | $ - | $310,200 | $ 308,087 | $ (2,113) |
| - | - | - | - | - | - | 237,000 | 234,932 | (2,068) |
| 585 | 602 | 17 | 3,250 | 3,395 | 145 | 30,635 | 33,066 | 2,431 |
| - | - | - | - | - | - | 10,300 | 10,019 | (281) |
| 585 | 602 | 17 | 3,250 | 3,395 | 145 | 588,135 | 586,104 | (2,031) |
| | | | | | | | | |
| - | - | - | 188 | 187 | 1 | 2,451 | 2,265 | 186 |
| 535 | 511 | 24 | - | - | - | 535 | 511 | 24 |
| - | - | - | - | - | - | 355,129 | 338,620 | 16,509 |
| - | - | - | 3,051 | 2,694 | 357 | 3,051 | 2,694 | 357 |
| 134 | 134 | - | - | - | - | 262,383 | 261,075 | 1,308 |
| - | - | - | - | - | - | (18,002) | - | (18,002) |
| 669 | 645 | 24 | 3,239 | 2,881 | 358 | 605,547 | 605,165 | 382 |
| | | | | | | | | |
| (84) | (43) | 41 | 11 | 514 | 503 | (17,412) | (19,061) | (1,649) |
| | | | | | | | | |
| - | - | - | - | - | - | - | 20,239 | 20,239 |
| - | - | - | - | - | - | - | (20,239) | (20,239) |
| - | - | - | (11) | (514) | (503) | (11) | (514) | (503) |
| - | - | - | - | - | | - | 14 | 14 |
| - | - | - | (11) | (514) | (503) | (11) | (500) | (489) |
| | | | | | | | | |
| $ (84) | (43) | $41 | $ - | - | $ - | $ (17,423) | (19,561) | $ (2,138) |
| | 281 | | | 100 | | | 447,514 | |
| | - | | | - | | | (220,648) | |
| | $238 | | | $ 100 | | | $ 207,305 | |

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# CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure (other than those financed by proprietary funds, trust funds and higher education and university hospital funds). Significant Capital Projects Funds are described below.

State Facilities - to account for proceeds of bond issues and other sources and the subsequent expenditures for the construction of various state buildings and structures.

Infrastructure - to account for the proceeds of bond issues and related capital project grants to finance the state's transportation infrastructure program over a ten-year period. This program encompasses the planning, acquisition, removal, construction, equipping, reconstruction, repair, rehabilitation and improvement of, and acquisition of easements and rights-of-way with respect to, State highways and bridges, projects on the interstate highway system, alternate highway projects in the interstate substitution program (the "interstate trade-in program"), waterway facilities, mass transportation and transit facilities, aeronautic facilities (excluding Bradley International Airport), the highway safety program, maintenance garages and administrative facilities of the Department, payment of the State's share of the costs of the local bridge program and payment of State contributions to the local bridge revolving fund.

Other Transportation - to account for the proceeds of bond issues and related grants to be used for other transportation related capital projects.

## STATE OF CONNECTICUT
## Combining Balance Sheet
## Capital Projects Funds
## June 30, 1990
## (Expressed in Thousands)

| | State Facilities | Infra-Structure | Transportation | Total |
|---|---|---|---|---|
| **Assets:** | | | | |
| Receivables: | | | | |
| Accounts, Net of Allowances | $ 76 | $ 55 | $ 115 | $ 246 |
| Interest | 161 | 825 | 0 | 986 |
| Due From Other Funds | 74,784 | 200,266 | 54,902 | 329,952 |
| Receivable From Other Governments | 397 | 73,519 | 5,532 | 79,448 |
| **Total Assets** | **$75,418** | **$274,665** | **$60,549** | **$410,632** |
| **Liabilities and Fund Balances:** | | | | |
| Liabilities: | | | | |
| Accounts Payable and Accrued Liabilities | $36,396 | $ 87,598 | $ 7,801 | $131,795 |
| Due to Other Funds | 5,268 | 581 | 24 | 5,873 |
| Deferred Revenue | 28 | 1 | 5 | 34 |
| **Total Liabilities** | 41,692 | 88,180 | 7,830 | 137,702 |
| Fund Balances: | | | | |
| Unreserved, undesignated | 33,726 | 186,485 | 52,719 | 272,930 |
| **Total Fund Balances** | 33,726 | 186,485 | 52,719 | 272,930 |
| **Total Liabilities and Fund Balances** | **$75,418** | **$274,665** | **$60,549** | **$410,632** |

## STATE OF CONNECTICUT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**
**Capital Projects Funds**
**For The Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | State Facilities | Infra-Structure | Transportation | Total |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Intergovernmental | $ 8,510 | $ 395,979 | $20,933 | $ 425,422 |
| Investment Earnings | 2,504 | 659 | 246 | 3,409 |
| **Total Revenues** | 11,014 | 396,638 | 21,179 | 428,831 |
| **Expenditures:** | | | | |
| Capital Projects | 222,477 | 746,594 | 30,154 | 999,225 |
| **Total Expenditures** | 222,477 | 746,594 | 30,154 | 999,225 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (211,463) | (349,956) | (8,975) | (570,394) |
| **Other Financing Sources (Uses):** | | | | |
| Proceeds from Sale of Bonds | 284,063 | 621,156 | 4,137 | 909,356 |
| Operating Transfers In | 9,168 | - | 1,816 | 10,984 |
| Operating Transfers Out | (61,014) | (61,382) | (255) | (122,651) |
| **Total Other Financing Sources (Uses)** | 232,217 | 559,774 | 5,698 | 797,689 |
| **Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses** | 20,754 | 209,818 | (3,277) | 227,295 |
| **Fund Balances (deficit) - July 1** | 12,972 | (23,333) | 55,996 | 45,635 |
| **Fund Balances - June 30** | **$ 33,726** | **$ 186,485** | **$52,719** | **$ 272,930** |

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# ENTERPRISE FUNDS

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Significant Enterprise Funds of the State of Connecticut are described below.

Rental Housing Fund - to account for the financing of various housing programs offered by the State from bond proceeds and the retirement of such obligations. Revenue is received from interest earned on program loans, investment income and proceeds from various bond issuances.

Bradley International Airport - The airport is owned by the State of Connecticut and is operated by the Bureau of Aeronautics of the State of Connecticut, Department of Transportation. In 1982, the State issued the Airport, 1982 series, Revenue Bonds in the aggregate principal amount of $100,000,000. The Bonds are secured by and payable solely from the gross operating revenues generated by the State from the operations of the Airport and other receipts, funds or monies pledged in the Indenture.

Connecticut Development Authority - The Connecticut Development Authority is a public instrumentality and political subdivision of the State of Connecticut. The Authority was created to stimulate industrial and commercial development within the State through its Self-Sustaining Bond Program, its Umbrella Program and its Insurance Program.

Connecticut Housing Finance Authority - The Connecticut Housing Finance Authority is a public instrumentality and political subdivision of the State of Connecticut created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development and construction of housing for low and moderate income families throughout the State.

Connecticut Resources Recovery Authority - The Connecticut Resources Recovery Authority is a public instrumentality and political subdivision of the State of Connecticut. The Authority is responsible for implementing the State's solid waste management plan, which includes design, construction and operation of resources recovery facilities and the marketing of recovered products.

**STATE OF CONNECTICUT**
**Combining Balance Sheet**
**Enterprise Funds**
**June 30, 1990**
**(Expressed in Thousands)**

| | Rental Housing | Bradley International Airport | Connecticut Development Authority |
|---|---|---|---|
| **Assets:** | | | |
| Cash and Cash Equivalents | $ 5,191 | $ 7,964 | $ 73,166 |
| Investments | 37,048 | - | 33,735 |
| Receivables: | | | |
| Accounts, Net of Allowances | 220 | 2,666 | - |
| Loans, Net of Allowances | 104,441 | - | - |
| Notes | - | - | 1,822,215 |
| Interest | 1,534 | - | 2,939 |
| Due From Other Funds | - | 215 | 157 |
| Receivable From Other Governments | 3,190 | 703 | - |
| Inventories and Prepaid Items | - | 141 | 3,585 |
| Restricted Assets | - | 47,781 | - |
| Property, Plant & Equipment | 36 | 113,915 | 50 |
| Other Assets | - | 7,502 | - |
| **Total Assets** | **$151,660** | **$180,887** | **$1,935,847** |
| **Liabilities and Equity:** | | | |
| Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | $ 110 | $ 5,296 | $ 2,959 |
| Due to Other Funds | 827 | 694 | - |
| Payable to Other Governments | - | - | - |
| Advances Due Other Funds | 76,444 | - | - |
| Deferred Revenue | - | - | 285 |
| Escrow Deposits | - | - | 400 |
| Notes and Loans Payable | - | - | - |
| Revenue Bonds | 128,030 | 101,785 | 1,865,571 |
| Compensated Absences | 142 | - | - |
| **Total Liabilities** | 205,553 | 107,775 | 1,869,215 |
| Equity: | | | |
| Contributed Capital | - | 66,002 | 3,500 |
| Retained Earnings: | | | |
| Reserved | - | 14,243 | - |
| Unreserved | (53,893) | (7,133) | 63,132 |
| **Total Retained Earnings** | (53,893) | 7,110 | 63,132 |
| **Total Equity** | (53,893) | 73,112 | 66,632 |
| **Total Liabilities and Equity** | **$151,660** | **$180,887** | **$1,935,847** |

| Connecticut Housing Finance Authority (12-31-89) | Connecticut Resources Recovery Authority | Vocational Education | Total |
|---|---|---|---|
| $ 316,263 | $ 18,238 | $246 | $ 421,068 |
| 256,792 | - | - | 327,575 |
| | | | |
| - | 21,573 | 11 | 24,470 |
| 2,024,295 | 53,180 | - | 2,181,916 |
| - | - | - | 1,822,215 |
| 28,295 | 959 | - | 33,727 |
| - | - | - | 372 |
| - | - | - | 3,893 |
| - | 2,292 | 76 | 6,094 |
| 331,435 | 123,896 | - | 503,112 |
| - | 252,650 | 22 | 366,673 |
| 1,017 | 18,576 | - | 27,095 |
| **$2,958,097** | **$491,364** | **$355** | **$5,718,210** |
| | | | |
| $ 30,495 | $ 16,554 | $ 94 | $ 55,508 |
| - | - | 1 | 1,522 |
| - | 790 | - | 790 |
| - | - | - | 76,444 |
| - | 2,369 | - | 2,654 |
| 49,301 | - | - | 49,701 |
| - | 6,900 | - | 6,900 |
| 2,530,256 | 439,919 | - | 5,065,561 |
| - | - | - | 142 |
| 2,610,052 | 466,532 | 95 | 5,259,222 |
| | | | |
| - | 900 | 350 | 70,752 |
| | | | |
| 305,822 | - | - | 320,065 |
| 42,223 | 23,932 | (90) | 68,171 |
| 348,045 | 23,932 | (90) | 388,236 |
| 348,045 | 24,832 | 260 | 458,988 |
| **$2,958,097** | **$491,364** | **$355** | **$5,718,210** |

**STATE OF CONNECTICUT**
**Combining Statement of Revenues, Expenses and Changes in Fund Equity**
**Enterprise Funds**
**For The Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | Rental Housing | Bradley International Airport | Connecticut Development Authority |
|---|---|---|---|
| **Operating Revenues:** | | | |
| Charges for Services | $ 819 | $ 29,502 | $ 943 |
| Interest on Financing Activities | 9,620 | - | 150,441 |
| Miscellaneous | 1,344 | - | 61 |
| **Total Operating Revenues** | 11,783 | 29,502 | 151,445 |
| **Operating Expenses:** | | | |
| Administrative | 4,205 | 15,711 | 2,880 |
| Depreciation and Amortization | 5 | 4,804 | 391 |
| Realized Losses on Investments | - | - | - |
| Interest on Financing Activities | 8,694 | - | 144,287 |
| **Total Operating Expenses** | 12,904 | 20,515 | 147,558 |
| **Operating Income (Loss)** | (1,121) | 8,987 | 3,887 |
| **Nonoperating Revenues (Expenses):** | | | |
| Interest and Investment Income | - | 7,496 | - |
| Other | - | 2 | - |
| Interest and Fiscal Charges | - | (10,250) | - |
| **Total Nonoperating Income (Expense)** | - | (2,752) | - |
| **Income Before Operating Transfers** | (1,121) | 6,235 | 3,887 |
| Operating Transfers In (Out): | | | |
| Operating Transfers Out | (779) | - | - |
| **Net Income (Loss)** | (1,900) | 6,235 | 3,887 |
| **Retained Earnings - July 1** | (51,993) | 875 | 59,245 |
| **Retained Earnings - June 30** | (53,893) | 7,110 | 63,132 |
| **Contributed Capital - July 1** | - | 60,649 | - |
| Capital Additions | - | 5,353 | 3,500 |
| **Contributed Capital - June 30** | - | 66,002 | 3,500 |
| **Fund Equity (deficit) June 30** | **$(53,893)** | **$ 73,112** | **$ 66,632** |

| **Connecticut Housing Finance Authority (12-31-89)** | **Connecticut Resources Recovery Authority** | **Vocational Education** | **Total** |
|---:|---:|---:|---:|
| $ - | $111,045 | $1,226 | $143,535 |
| 238,026 | - | - | 398,087 |
| 10,209 | 12,823 | - | 24,437 |
| 248,235 | 123,868 | 1,226 | 566,059 |
| 18,726 | 92,959 | 832 | 135,313 |
| 3,228 | 13,148 | 5 | 21,581 |
| 5,185 | - | - | 5,185 |
| 190,882 | - | - | 343,863 |
| 218,021 | 106,107 | 837 | 505,942 |
| 30,214 | 17,761 | 389 | 60,117 |
| - | 9,567 | - | 17,063 |
| - | 10,822 | - | 10,824 |
| - | (27,700) | - | (37,950) |
| - | (7,311) | - | (10,063) |
| 30,214 | 10,450 | 389 | 50,054 |
| - | - | - | (779) |
| 30,214 | 10,450 | 389 | 49,275 |
| 317,831 | 13,482 | (479) | 338,961 |
| 348,045 | 23,932 | (90) | 388,236 |
| - | - | 350 | 60,999 |
| - | 900 | - | 9,753 |
| - | 900 | 350 | 70,752 |
| **$348,045** | **$ 24,832** | **$ 260** | **$458,988** |

**STATE OF CONNECTICUT**
**Combining Statement of Cash Flows**
**Enterprise Funds**
**For The Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | Rental Housing | Bradley International Airport | Connecticut Development Authority |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Operating Income (Loss) | $(1,121) | $ 8,987 | $ 3,887 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | | |
| Amortization and Depreciation | 5 | 4,804 | 391 |
| Provision for loan losses | - | - | - |
| Interest on bonds payable | 8,694 | - | 144,287 |
| Investment Income | (843) | - | (10,248) |
| Realized (gain) loss on investments | - | - | - |
| (Increase) decrease in interest and other receivables | (82) | (253) | (58) |
| (Increase) decrease in due from other funds | - | - | (14) |
| (Increase) decrease in receivable from other governments | (239) | 185 | - |
| Increase (decrease) in accounts payable and other accrued liabilities | 18 | 261 | 167 |
| Increase (decrease) in due to other funds | (208) | 544 | - |
| Other-net | 3 | 469 | 363 |
| Issuance of loans, notes & installment contracts receivable | (3,290) | - | (172,288) |
| Collection of loans, notes & installment contracts receivable | 4,323 | - | 84,713 |
| **Net cash provided by (used in) operating activities** | 7,260 | 14,997 | 51,200 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | | |
| Transfer to other funds | (779) | - | - |
| Increase in other assets or liabilities | 3,208 | (2,423) | - |
| Net proceeds from sale of bonds and notes | 5,955 | 3,855 | 161,159 |
| Retirement of bonds and notes payable | (1,550) | (1,075) | (83,363) |
| Interest on bonds payable | (8,694) | (10,394) | (144,350) |
| **Net cash provided by (used in) noncapital financing activities** | (1,860) | (10,037) | (66,554) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | | |
| Additions to fixed assets | (5) | (12,815) | - |
| Increase in capital additions | - | 5,353 | 3,500 |
| Retirement of bonds and notes | - | - | - |
| Interest on bonds and notes | - | - | - |
| Decrease in loans receivable | - | - | - |
| **Net cash provided by (used in) capital and related financing activities** | (5) | (7,462) | 3,500 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Proceeds from sales of investment securities | - | - | 957 |
| Purchases of investment securities | (9,666) | - | - |
| Interest and income on investments | 270 | 4,437 | 10,451 |
| Increase in restricted assets | - | (687) | - |
| **Net cash provided by (used in) investing activities** | (9,396) | 3,750 | 11,408 |
| **Increase (decrease) in cash** | (4,001) | 1,248 | (446) |
| **Cash and cash equivalents, July 1** | 9,192 | 6,716 | 73,612 |
| **Cash and cash equivalents, June 30** | **$ 5,191** | **$ 7,964** | **$ 73,166** |

| Connecticut Housing Finance Authority (12-31-89) | Connecticut Resources Recovery Authority | Vocational Education | Total |
|---|---|---|---|
| $ 30,214 | $ 17,761 | $ 389 | $ 60,117 |
| 3,228 | 13,148 | 5 | 21,581 |
| 5,000 | - | - | 5,000 |
| 190,882 | - | - | 343,863 |
| (72,868) | - | - | (83,959) |
| 5,185 | - | - | 5,185 |
| 1,009 | (1,510) | 7 | (887) |
| - | (573) | - | (587) |
| - | - | - | (54) |
| 516 | (3,230) | (142) | (2,410) |
| - | 1,293 | (7) | 1,622 |
| (8,511) | 10,073 | (50) | 2,347 |
| (321,812) | - | - | (497,390) |
| 113,806 | - | - | 202,842 |
| (53,351) | 36,962 | 202 | 57,270 |
| - | - | - | (779) |
| (12,611) | - | - | (11,826) |
| 314,353 | - | - | 485,322 |
| (105,335) | - | - | (191,323) |
| (188,423) | - | - | (351,861) |
| 7,984 | - | - | (70,467) |
| - | (14,052) | 10 | (26,862) |
| - | 900 | - | 9,753 |
| - | (7,631) | - | (7,631) |
| - | (27,219) | - | (27,219) |
| - | 3,656 | - | 3,656 |
| - | (44,346) | 10 | (48,303) |
| 843,336 | - | - | 844,293 |
| (711,222) | - | - | (720,888) |
| 69,145 | 9,895 | - | 94,198 |
| - | (3,600) | - | (4,287) |
| 201,259 | 6,295 | - | 213,316 |
| 155,892 | (1,089) | 212 | 151,816 |
| 160,371 | 19,327 | 34 | 269,252 |
| **$ 316,263** | **$ 18,238** | **$ 246** | **$ 421,068** |

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# INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the State, or to other governments, on a cost-reimbursement basis. The following operations are included in these funds:

Correction Industries - to account for the revenue and expenses associated with the sale of goods resulting from the industrial activities of the inmates at correctional institutions.

Administrative Services - to account for the various activities of the Department of Administrative Services including the purchasing of supplies and data processing equipment for the State, the operations of the motor pool, the operations of data processing services and certain other activities. Revenues consist of user charges to agencies.

**STATE OF CONNECTICUT**
**Combining Balance Sheet**
**Internal Service Funds**
**June 30, 1990**
**(Expressed in Thousands)**

| | Correction Industries | Administrative Services | Total |
|---|---|---|---|
| **Assets:** | | | |
| Cash and Cash Equivalents | $ 231 | $ 3,583 | $ 3,814 |
| Receivables: | | | |
| Accounts, Net of Allowances | 73 | 3,389 | 3,462 |
| Due From Other Funds | 341 | 2,962 | 3,303 |
| Inventories and Prepaid Items | 2,146 | 3,596 | 5,742 |
| Property, Plant & Equipment | 968 | 27,864 | 28,832 |
| Other Assets | - | 944 | 944 |
| **Total Assets** | **$ 3,759** | **$42,338** | **$46,097** |
| **Liabilities and Equity:** | | | |
| Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | $ 645 | $ 4,137 | $ 4,782 |
| Due to Other Funds | 2 | 402 | 404 |
| Deferred Revenue | 580 | - | 580 |
| Notes and Loans Payable | - | 68 | 68 |
| Compensated Absences | 168 | 1,622 | 1,790 |
| **Total Liabilities** | 1,395 | 6,229 | 7,624 |
| Equity: | | | |
| Contributed Capital | 5,730 | 8,072 | 13,802 |
| Retained Earnings: | | | |
| Unreserved | (3,366) | 28,037 | 24,671 |
| **Total Equity** | 2,364 | 36,109 | 38,473 |
| **Total Liabilities and Equity** | **$ 3,759** | **$42,338** | **$46,097** |

# STATE OF CONNECTICUT
## Combining Statement of Revenues, Expenses and Changes in Fund Equity
## Internal Service Funds
## For The Fiscal Year Ended June 30, 1990
## (Expressed in Thousands)

| | Correction Industries | Administrative Services | Total |
|---|---|---|---|
| **Operating Revenues:** | | | |
| Charges for Services | $ 5,308 | $71,164 | $76,472 |
| **Total Operating Revenues** | 5,308 | 71,164 | 76,472 |
| **Operating Expenses:** | | | |
| Cost of Sales and Services | 4,233 | 36,495 | 40,728 |
| Administrative | 793 | 26,360 | 27,153 |
| Depreciation and Amortization | 194 | 5,724 | 5,918 |
| **Total Operating Expenses** | 5,220 | 68,579 | 73,799 |
| **Operating Income (Loss)** | 88 | 2,585 | 2,673 |
| Operating Transfers In (Out): | | | |
| Operating Transfers In | - | 8 | 8 |
| **Net Income (Loss)** | 88 | 2,593 | 2,681 |
| **Retained Earnings - July 1** | (3,454) | 25,444 | 21,990 |
| **Retained Earnings - June 30** | (3,366) | 28,037 | 24,671 |
| **Contributed Capital - July 1** | 5,730 | 11,072 | 16,802 |
| Residual Equity Transferred Out | - | (3,000) | (3,000) |
| **Contributed Capital - June 30** | 5,730 | 8,072 | 13,802 |
| **Fund Equity - June 30** | $ 2,364 | $36,109 | $38,473 |

**STATE OF CONNECTICUT**
**Combining Statement of Cash Flows**
**Internal Service Funds**
**For The Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | Correction Industries | Administrative Services | Total |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Operating Income (Loss) | $ 88 | $ 2,585 | $ 2,673 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | | |
| Amortization and Depreciation | 194 | 5,724 | 5,918 |
| (Increase) decrease in interest and other receivables | 63 | (2,454) | (2,391) |
| (Increase) decrease in due from other funds | (4) | 2,859 | 2,855 |
| Increase (decrease) in accounts payable and other accrued liabilities | 68 | (41) | 27 |
| Increase (decrease) in due to other funds | (25) | (485) | (510) |
| Other-net | (89) | (309) | (398) |
| **Net cash provided by (used in) operating activities** | 295 | 7,879 | 8,174 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | | |
| Transfer to other funds | - | 8 | 8 |
| **Net cash provided by (used in) noncapital financing activities** | - | 8 | 8 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | | |
| Additions to fixed assets | (64) | (5,431) | (5,495) |
| Proceeds from sale of bonds and notes | - | (61) | (61) |
| Decrease in capital additions | - | (3,000) | (3,000) |
| **Net cash provided by (used in) capital and related financing activities** | (64) | (8,492) | (8,556) |
| **Increase (decrease) in cash** | 231 | (605) | (374) |
| **Cash and cash equivalents, July 1** | - | 4,188 | 4,188 |
| **Cash and cash equivalents, June 30** | $231 | **$ 3,583** | **$ 3,814** |

## FIDUCIARY FUNDS

Trust and Agency Funds are maintained to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations or other funds. These Fiduciary Funds include expendable trust, non-expendable trust, pension trust and agency funds. Significant Trust and Agency Funds of the State are described below:

### Trust Funds

Employment Security - to account for the collection of unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.

Local Property Tax Relief - to account for the principal and interest which is earned on loans or other investments of the trust fund assets. The principal and interest shall be used to make annual grants to municipalities for various purposes.

Soldiers, Sailors and Marines - to account for the principal and interest earned on investments of this fund. Interest earned has been earmarked by the General Assembly for the benefit of resident veterans to provide such things as food, wearing apparel, medical or surgical aid, care and relief or funeral benefits.

Pension - See notes 9 and 10 for a description of the Pension Funds.

### Agency Funds

Deferred Compensation - to account for the investments accumulated in the State's IRC Section 457 deferred compensation plan.

Insurance Companies Securities - to account for securities that are deposited with the Treasurer to be held for policyholders of insurance companies as a prerequisite to such companies transacting business in the State.

Investment Pool/Non-State Portion - to account for the portion of Short Term Investment Fund (STIF) that is made up of non-state monies. STIF is made up of excess cash balances which can be added or withdrawn on a daily basis. The investments are primarily short term paper and the Secondary Market for Student Loans.

**STATE OF CONNECTICUT**
**Combining Balance Sheet**
**Fiduciary Funds**
**June 30, 1990**
**(Expressed in Thousands)**

| | Expendable Trust | | |
|---|---|---|---|
| | **Employment Security** | **Local Property Tax Relief** | **Second Injury & Compensation Assurance** |
| **Assets:** | | | |
| Cash and Cash Equivalents | $184,157 | $123,931 | $15,228 |
| Investments | - | 30,000 | - |
| Receivables: | | | |
| Taxes | - | - | - |
| Accounts, Net of Allowances | 5,709 | - | 301 |
| Loans, Net of Allowances | - | - | - |
| Interest | - | 1,865 | 117 |
| Due From Other Funds | 308 | - | - |
| Receivable From Other Governments | - | - | - |
| Inventories and Prepaid Items | - | - | 412 |
| Other Assets | - | - | - |
| **Total Assets** | **$190,174** | **$155,796** | **$16,058** |
| **Liabilities and Fund Balances:** | | | |
| Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | $ - | $ - | $ - |
| Due to Other Funds | 139 | - | - |
| Payable to Other Governments | 226 | - | - |
| Deferred Revenue | 2,925 | - | - |
| Deferred Compensation Liability | - | - | - |
| Agency Deposit Liabilities | - | - | - |
| **Total Liabilities** | 3,290 | - | - |
| Fund Balances: | | | |
| Reserved for Unemployment Compensation | 186,884 | - | - |
| Reserved for Trust Activities | - | - | - |
| Reserved for Pension Obligations | - | - | - |
| Unreserved, undesignated | - | 155,796 | 16,058 |
| **Total Fund Balances** | 186,884 | 155,796 | 16,058 |
| **Total Liabilities and Fund Balances** | **$190,174** | **$155,796** | **$16,058** |

|  | Nonexpendable Trust |  |  |  |  |  |
|---|---|---|---|---|---|---|
| Other | School | Soldiers Sailors & Marines | Other | Pension | Agency | Total |
| $17,608 | $ 841 | $ 1,204 | $4,185 | $ 194,363 | $239,432 | $ 780,949 |
| - | 2,676 | 46,176 | 1,215 | 7,504,094 | 167,980 | 7,752,141 |
|  |  |  |  |  |  |  |
| - | - | - | - | - | 1 | 1 |
| 173 | - | - | - | 5,376 | 3,303 | 14,862 |
| - | - | - | - | - | 10 | 10 |
| 89 | 4 | 7 | 29 | 39,878 | 1,128 | 43,117 |
| - | - | 483 | - | 2,331 | 11,658 | 14,780 |
| - | - | - | - | - | 1 | 1 |
| - | - | - | - | - | 391 | 803 |
| - | - | - | - | - | 539,528 | 539,528 |
| **$17,870** | **$3,521** | **$47,870** | **$5,429** | **$7,746,042** | **$963,432** | **$9,146,192** |
|  |  |  |  |  |  |  |
| $ 373 | $ - | $ - | $ - | $ 2,432 | $ 6,314 | $ 9,119 |
| 237 | - | - | - | 29 | 15,466 | 15,871 |
| - | - | - | - | - | 24 | 250 |
| - | - | - | - | - | - | 2,925 |
| - | - | - | - | - | 167,978 | 167,978 |
| - | - | - | - | - | 773,650 | 773,650 |
| 610 | - | - | - | 2,461 | 963,432 | 969,793 |
|  |  |  |  |  |  |  |
| - | - | - | - | - | - | 186,884 |
| - | 3,521 | 47,870 | 5,429 | - | - | 56,820 |
| - | - | - | - | 7,743,581 | - | 7,743,581 |
| 17,260 | - | - | - | - | - | 189,114 |
| 17,260 | 3,521 | 47,870 | 5,429 | 7,743,581 | - | 8,176,399 |
| **$17,870** | **$3,521** | **$47,870** | **$5,429** | **$7,746,042** | **$963,432** | **$9,146,192** |

**STATE OF CONNECTICUT**
**Combining Balance Sheet**
**Pension Trust Funds**
**June 30, 1990**
**(Expressed in Thousands)**

| | State Employees | State Teachers | Judicial |
|---|---|---|---|
| **Assets:** | | | |
| Cash and Cash Equivalents | $ 75,767 | $ 103,295 | $ 2,492 |
| Investments | 2,832,258 | 4,193,256 | 35,129 |
| Receivables: | | | |
| Accounts, Net of Allowances | 651 | - | - |
| Interest | 23,812 | 11,935 | 235 |
| Due From Other Funds | 2,302 | - | - |
| **Total Assets** | **$2,934,790** | **$4,308,486** | **$37,856** |
| **Liabilities and Fund Balances:** | | | |
| Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | $ 2,236 | $ - | $ 196 |
| Due to Other Funds | - | - | - |
| **Total Liabilities** | 2,236 | - | 196 |
| Fund Balances: | | | |
| Reserved for Pension Obligations | 2,932,554 | 4,308,486 | 37,660 |
| **Total Fund Balances** | 2,932,554 | 4,308,486 | 37,660 |
| **Total Liabilities and Fund Balances** | **$2,934,790** | **$4,308,486** | **$37,856** |

| Connecticut Municipal Employees | Probate Judges | Other | Total |
|---|---|---|---|
| $ 12,284 | $ 350 | $175 | $ 194,363 |
| 416,244 | 26,975 | 232 | 7,504,094 |
| 4,713 | 12 | - | 5,376 |
| 3,621 | 271 | 4 | 39,878 |
| - | 29 | - | 2,331 |
| **$436,862** | **$27,637** | **$411** | **$7,746,042** |
| $ - | $ - | $ - | $ 2,432 |
| - | 29 | - | 29 |
| - | 29 | - | 2,461 |
| 436,862 | 27,608 | 411 | 7,743,581 |
| 436,862 | 27,608 | 411 | 7,743,581 |
| **$436,862** | **$27,637** | **$411** | **$7,746,042** |

# STATE OF CONNECTICUT
## Combining Balance Sheet
## Agency Funds
**June 30, 1990**
**(Expressed in Thousands)**

| | Payroll & Fringe Benefit Clearing | Receipts Pending Distribution | Investment Pool Non-State Portion |
|---|---|---|---|
| **Assets:** | | | |
| Cash and Cash Equivalents | $1,433 | $22,669 | $161,331 |
| Investments | - | - | - |
| Receivables: | | | |
| Taxes | 1 | - | - |
| Accounts, Net of Allowances | - | 83 | - |
| Loans, Net of Allowances | - | - | - |
| Interest | - | - | 1,003 |
| Due From Other Funds | 1,876 | - | - |
| Receivable From Other Governments | - | 1 | - |
| Inventories and Prepaid Items | - | - | - |
| Other Assets | - | - | - |
| **Total Assets** | **$3,310** | **$22,753** | **$162,334** |
| **Liabilities:** | | | |
| Accounts Payable and Accrued Liabilities | $2,284 | $ 1,879 | $ - |
| Due to Other Funds | - | 15,360 | - |
| Payable to Other Governments | - | 24 | - |
| Deferred Compensation Liability | - | - | - |
| Agency Deposit Liabilities | 1,026 | 5,490 | 162,334 |
| **Total Liabilities** | **$3,310** | **$22,753** | **$162,334** |

| Insurance Companies' Securities | State Institution Activity | Deferred Compensation | Other | Total |
|---|---|---|---|---|
| $ - | $17,601 | $ - | $36,398 | $239,432 |
| - | 2 | 167,978 | - | 167,980 |
| - | - | - | - | 1 |
| - | 2,889 | - | 331 | 3,303 |
| - | 10 | - | - | 10 |
| - | 7 | - | 118 | 1,128 |
| - | - | - | 9,782 | 11,658 |
| - | - | - | - | 1 |
| - | 391 | - | - | 391 |
| 539,179 | 349 | - | - | 539,528 |
| **$539,179** | **$21,249** | **$167,978** | **$46,629** | **$963,432** |

| | | | | |
|---|---|---|---|---|
| $ - | $ 1,024 | $ - | $ 1,127 | $ 6,314 |
| - | - | - | 106 | 15,466 |
| - | - | - | - | 24 |
| - | - | 167,978 | - | 167,978 |
| 539,179 | 20,225 | - | 45,396 | 773,650 |
| **$539,179** | **$21,249** | **$167,978** | **$46,629** | **$963,432** |

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## STATE OF CONNECTICUT
## Combining Statement of Revenues, Expenditures and Changes in Fund Balances
## Expendable Trust Funds
## For The Fiscal Year Ended June 30, 1990
## (Expressed in Thousands)

| | Employment Security | Local Property Tax Relief | Second Injury & Compensation Assurance | Other | Total |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Unemployment Taxes | $ 203,306 | $ - | $ - | $ - | $ 203,306 |
| Licenses, Permits and Fees | - | - | - | 99 | 99 |
| Investment Earnings | 22,588 | 20,381 | 1,036 | 3,327 | 47,332 |
| Miscellaneous | - | - | 46,648 | 10,505 | 57,153 |
| **Total Revenues** | 225,894 | 20,381 | 47,684 | 13,931 | 307,890 |
| **Expenditures:** | | | | | |
| Current: | | | | | |
| General Government | - | 41,999 | 50,049 | 1,748 | 93,796 |
| Regulation and Protection | 362,274 | - | - | 10,050 | 372,324 |
| Education, Libraries and Museums | - | - | - | 16 | 16 |
| **Total Expenditures** | 362,274 | 41,999 | 50,049 | 11,814 | 466,136 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (136,380) | (21,618) | (2,365) | 2,117 | (158,246) |
| **Other Financing Sources (Uses):** | | | | | |
| Operating Transfers Out | (1,074) | - | - | (17) | (1,091) |
| Other | - | (59) | - | - | (59) |
| **Total Other Financing Sources (Uses)** | (1,074) | (59) | - | (17) | (1,150) |
| **Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses** | (137,454) | (21,677) | (2,365) | 2,100 | (159,396) |
| **Fund Balances - July 1** | 324,338 | 247,973 | 18,423 | 15,160 | 605,894 |
| Residual Equity Transferred Out | - | (70,500) | - | - | (70,500) |
| **Fund Balances - June 30** | **$ 186,884** | **$155,796** | **$16,058** | **$17,260** | **$ 375,998** |

**STATE OF CONNECTICUT**
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**
**Nonexpendable and Pension Trust Funds**
**For The Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | Nonexpendable Trust | | | |
|---|---|---|---|---|
| | School | Soldiers Sailors & Marines | Other | Total Nonexpendable |
| **Operating Revenues:** | | | | |
| Participants' Contributions | $ - | $ - | $ - | $ - |
| State Contribution | - | - | - | - |
| Investment Earnings | 141 | 4,053 | 694 | 4,888 |
| Miscellaneous | - | 2 | 27 | 29 |
| **Total Operating Revenues** | 141 | 4,055 | 721 | 4,917 |
| **Operating Expenses:** | | | | |
| Administrative | - | - | 57 | 57 |
| Benefit Payments and Refunds | - | - | 180 | 180 |
| **Total Operating Expenses** | - | - | 237 | 237 |
| **Operating Income (Loss)** | 141 | 4,055 | 484 | 4,680 |
| Operating Transfers In (Out): | | | | |
| Operating Transfers In | 13 | 521 | - | 534 |
| Operating Transfers Out | (253) | (2,746) | (1,173) | (4,172) |
| **Net Income (Loss)** | (99) | 1,830 | (689) | 1,042 |
| **Fund Balances - July 1 (as adjusted)** | 3,620 | 46,040 | 6,118 | 55,778 |
| **Fund Balances - June 30** | **$3,521** | **$47,870** | **$ 5,429** | **$56,820** |

| Pension Trust | | | | | | |
|---|---|---|---|---|---|---|
| State Employees | State Teachers | Judicial | Connecticut Municipal Employees | Probate Judges | Other | Total Pension |
| $ 29,198 | $ 106,922 | $ 688 | $ 28,380 | $ 243 | $ 37 | $ 165,468 |
| 288,369 | 323,005 | 10,833 | - | - | - | 622,207 |
| 260,649 | 351,211 | 3,014 | 38,677 | 2,706 | 22 | 656,279 |
| 53,642 | 15 | - | 2,168 | - | - | 55,825 |
| 631,858 | 781,153 | 14,535 | 69,225 | 2,949 | 59 | 1,499,779 |
| | | | | | | |
| 533 | - | 3 | 311 | 86 | - | 933 |
| 250,948 | 217,482 | 5,893 | 21,641 | 937 | 62 | 496,963 |
| 251,481 | 217,482 | 5,896 | 21,952 | 1,023 | 62 | 497,896 |
| 380,377 | 563,671 | 8,639 | 47,273 | 1,926 | (3) | 1,001,883 |
| | | | | | | |
| - | - | - | - | 45 | - | 45 |
| - | - | - | - | - | - | - |
| 380,377 | 563,671 | 8,639 | 47,273 | 1,971 | (3) | 1,001,928 |
| 2,552,177 | 3,744,815 | 29,021 | 389,589 | 25,637 | 414 | 6,741,653 |
| **$2,932,554** | **$4,308,486** | **$37,660** | **$436,862** | **$27,608** | **$411** | **$7,743,581** |

**STATE OF CONNECTICUT**
**Combining Statement of Cash Flows**
**Nonexpendable Trust Funds**
**For The Fiscal Year Ended June 30, 1990**
**(Expressed in Thousands)**

| | School | Soldiers Sailors & Marines | Other | Total |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | | |
| Operating Income (Loss) | $ 141 | $ 4,055 | $ 484 | $ 4,680 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | | | |
| Investment Income | (141) | (4,053) | (694) | (4,888) |
| (Increase) decrease in interest and other receivables | - | 262 | - | 262 |
| **Net cash provided by (used in) operating activities** | - | 264 | (210) | 54 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | | | |
| Transfer to other funds | (240) | (2,225) | (1,172) | (3,637) |
| **Net cash provided by (used in) noncapital financing activities** | (240) | (2,225) | (1,172) | (3,637) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | | |
| Interest and income on investments | 753 | 2,357 | 641 | 3,751 |
| **Net cash provided by (used in) investing activities** | 753 | 2,357 | 641 | 3,751 |
| **Increase (decrease) in cash** | 513 | 396 | (741) | 168 |
| **Cash and cash equivalents, July 1** | 328 | 808 | 4,926 | 6,062 |
| **Cash and cash equivalents, June 30** | **$ 841** | **$ 1,204** | **$ 4,185** | **$ 6,230** |

## STATE OF CONNECTICUT
## Combining Statement of Changes in Assets & Liabilities - All Agency Funds
### June 30, 1990
### (Expressed in Thousands)

|  | Balance 7/1/89 | Additions | Deletions | Balance 6/30/90 |
|---|---|---|---|---|
| **Payroll and Fringe Benefit Clearing** |  |  |  |  |
| Total Assets | $ 5,011 | $ 1,877 | $ 3,578 | $ 3,310 |
| Total Liabilities | $ 5,011 | $ 4,161 | $ 5,862 | $ 3,310 |
| **Receipts Pending Distribution** |  |  |  |  |
| Total Assets | $ 16,116 | $ 6,642 | $ 5 | $ 22,753 |
| Total Liabilities | $ 16,116 | $ 6,637 | $ - | $ 22,753 |
| **Investment Pool/Non-state Portion** |  |  |  |  |
| Total Assets | $155,193 | $ 9,547 | $ 2,406 | $162,334 |
| Total Liabilities | $155,193 | $ 9,547 | $ 2,406 | $162,334 |
| **Insurance Companies' Securities** |  |  |  |  |
| Total Assets | $433,503 | $105,676 | $ - | $539,179 |
| Total Liabilities | $433,503 | $105,676 | $ - | $539,179 |
| **State Institution Activity** |  |  |  |  |
| Total Assets | $ 31,415 | $ 26,081 | $36,247 | $ 21,249 |
| Total Liabilities | $ 31,415 | $ 24,553 | $34,719 | $ 21,249 |
| **Deferred Compensation** |  |  |  |  |
| Total Assets | $136,374 | $ 39,760 | $ 8,156 | $167,978 |
| Total Liabilities | $136,374 | $ 39,760 | $ 8,156 | $167,978 |
| **Other** |  |  |  |  |
| Total Assets | $ 24,543 | $ 38,524 | $16,438 | $ 46,629 |
| Total Liabilities | $ 24,543 | $ 37,230 | $15,144 | $ 46,629 |

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# GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is maintained to account for the land, buildings, improvements, and equipment which are accounted for in the governmental type funds. Fixed Assets of the proprietary fund types and similar trusts and the Higher Education Funds are accounted for within those funds. Infrastructures, including highways, bridges and rights-of-way are not capitalized.

The General Fixed Assets Account Group is stated at historical cost or estimated historical cost, with no provision made for depreciation.

STATE OF CONNECTICUT
GENERAL FIXED ASSETS ACCOUNT GROUP
JUNE 30, 1990
(EXPRESSED IN THOUSANDS)

## SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

| | 1990 |
|---|---|
| **GENERAL FIXED ASSETS:** | |
| Land | $ 232,756 |
| Buildings | 767,020 |
| Improvements Other Than Buildings | 97,528 |
| Machinery and Equipment | 576,918 |
| Construction in Progress | 293,972 |
| **Total General Fixed Assets** | **$1,968,194** |

| | |
|---|---|
| **INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:** | |
| Investment in Property Acquired Prior to June 30, 1988-Source Unidentified | $1,433,888 |
| General Fund | 52,365 |
| Special Revenue Funds | 68,207 |
| Capital Project Funds | 410,283 |
| Other | 3,451 |
| **Total Investment in General Fixed Assets** | **$1,968,194** |

## STATE OF CONNECTICUT
## GENERAL FIXED ASSETS ACCOUNT GROUP
## JUNE 30, 1990
## (EXPRESSED IN THOUSANDS)

### SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

| Function | Land | Buildings | Improvements | Equipment | Totals |
|---|---|---|---|---|---|
| Legislative | $ - | $ 56,200 | $ - | $ 9,863 | $ 66,063 |
| General Government | 2,964 | 19,803 | 2,268 | 38,103 | 63,138 |
| Regulation and Protection | 2,100 | 47,780 | 2,174 | 50,907 | 102,961 |
| Natural Resources and Recreation | 171,116 | 10,911 | 1,156 | 19,781 | 202,964 |
| Health and Hospitals | 9,874 | 145,464 | 7,752 | 31,983 | 195,073 |
| Transportation | 32,972 | 127,718 | 42,014 | 226,993 | 429,697 |
| Human Services | - | - | - | 10,285 | 10,285 |
| Education, Libraries and Museums | 3,117 | 144,276 | 34,912 | 156,973 | 338,278 |
| Corrections | 5,542 | 135,371 | 7,236 | 15,530 | 165,679 |
| Judicial | 5,071 | 79,497 | 16 | 15,500 | 100,084 |
| **Total General Fixed Assets Allocated to Functions** | **$232,756** | **$767,020** | **$97,528** | **$576,918** | **$1,674,222** |
| **Construction in Progress** | | | | | 293,972 |
| **Total General Fixed Assets** | | | | | **$1,968,194** |

### SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

| Function | General Fixed Assets 7/1/89 | Additions | Deletions | General Fixed Assets 6/30/90 |
|---|---|---|---|---|
| Legislative | $ 9,321 | $ 56,742 | $ - | $ 66,063 |
| General Government | 54,655 | 12,029 | 3,546 | 63,138 |
| Regulation and Protection | 86,509 | 18,483 | 2,031 | 102,961 |
| Natural Resources and Recreation | 182,731 | 21,165 | 932 | 202,964 |
| Health and Hospitals | 185,743 | 13,037 | 3,707 | 195,073 |
| Transportation | 363,482 | 77,019 | 10,804 | 429,697 |
| Human Services | 8,960 | 1,383 | 58 | 10,285 |
| Education, Libraries and Museums | 299,143 | 42,018 | 2,883 | 338,278 |
| Corrections | 147,037 | 52,660 | 34,018 | 165,679 |
| Judicial | 96,477 | 4,249 | 642 | 100,084 |
| Construction in Progress | 259,009 | 112,783 | 77,820 | 293,972 |
| **Total General Fixed Assets** | **$1,693,067** | **$411,568** | **$136,441** | **$1,968,194** |

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# HIGHER EDUCATION AND UNIVERSITY HOSPITAL FUNDS

Higher Education and University Hospital Funds are used to account for all transactions relating to public institutions of higher education including a teaching hospital and the State's technical colleges. These include five universities, twelve community colleges and five technical colleges.

College and University Funds used are described below.

Current Funds:

Unrestricted Fund - accounts for currently expendable resources which may be either designated or not designated by the colleges and universities for specific purposes.

Restricted Fund - accounts for resources restricted by the donor or external agency for a specific use or program.

Hospital Funds - accounts for revenue and expenditures relating to the operation of the John Dempsey Hospital and the Dental Clinics.

Loan Funds - accounts for loans made to assist students in the financing of their education.

Endowment Funds - accounts for resources which are restricted by the gift instruments requiring that the principal be invested and only the income be expended.

Agency Funds - accounts for amounts held in custody for students, university-related organizations, and others.

Plant Funds - accounts for activities relating to institutional properties. These activities include funds used for the acquisition, renewal and replacement of institutional properties, funds set aside for debt service requirements of institutional properties and funds invested in institutional properties.

## STATE OF CONNECTICUT
## Combining Balance Sheet
## Higher Education and University Hospital Funds
June 30, 1990
(Expressed in Thousands)

| | Current Funds | | Hospital Funds |
|---|---|---|---|
| | Unrestricted | Restricted | |
| **Assets:** | | | |
| Cash and Cash Equivalents | $129,221 | $21,763 | $ 5,613 |
| Investments | 1,728 | 6,250 | - |
| Receivables: | | | |
| Accounts, Net of Allowances | 15,315 | 2,445 | 22,462 |
| Tuition and Patient Services | 343 | - | - |
| Loans, Net of Allowances | - | - | - |
| Interest | 146 | 53 | - |
| Due From Other Funds | 5,157 | 124 | - |
| Inventories and Prepaid Items | 5,270 | 3,157 | 1,179 |
| Property, Plant & Equipment | - | - | - |
| **Total Assets** | **$157,180** | **$33,792** | **$29,254** |
| **Liabilities, Equity and Other Credits:** | | | |
| Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | $ 13,961 | $ 2,262 | $20,307 |
| Due to Other Funds | 1,457 | 1,134 | 18 |
| Deferred Revenue | 19,855 | - | - |
| Notes and Loans Payable | - | - | - |
| Agency Deposit Liabilities | - | - | - |
| Revenue Bonds | - | - | - |
| Capital Leases | - | - | - |
| Compensated Absences | 6,224 | 206 | 1,972 |
| **Total Liabilities** | 41,497 | 3,602 | 22,297 |
| Equity and Other Credits: | | | |
| Investment in Fixed Assests | - | - | - |
| Fund Balances: | | | |
| Reserved | - | 30,190 | - |
| Unreserved, undesignated | 115,683 | - | 6,957 |
| **Total Equity and Other Credits** | 115,683 | 30,190 | 6,957 |
| **Total Liabilities, Equity and Other Credits** | **$157,180** | **$33,792** | **$29,254** |

| Endowment and Similar Funds | Loan Funds | Agency Funds | Plant Funds |  | Total |
|---|---|---|---|---|---|
|  |  |  | Retirement of Indebtedness | Investment in Plant |  |
| $ 187 | $ 1,397 | $4,426 | $18,662 | $ - | $ 181,269 |
| 3,075 | 306 | 2,203 | - | - | 13,562 |
| 9 | 1 | 71 | - | - | 40,303 |
| - | - | - | - | - | 343 |
| - | 24,343 | 130 | - | - | 24,473 |
| - | 176 | 26 | - | - | 401 |
| - | - | - | - | - | 5,281 |
| - | - | - | - | - | 9,606 |
| - | - | 1,025 | - | 1,012,940 | 1,013,965 |
| **$3,271** | **$26,223** | **$7,881** | **$18,662** | **$1,012,940** | **$1,289,203** |

|  |  |  |  |  |  |
|---|---|---|---|---|---|
| $ - | $ - | $ 189 | $ - | $ - | $ 36,719 |
| 4 | 97 | 370 | 32 | - | 3,112 |
| - | - | - | - | - | 19,855 |
| - | - | - | - | 11,055 | 11,055 |
| - | - | 7,322 | - | - | 7,322 |
| - | - | - | - | 32,430 | 32,430 |
| - | - | - | - | 1,154 | 1,154 |
| - | - | - | - | - | 8,402 |
| 4 | 97 | 7,881 | 32 | 44,639 | 120,049 |
| - | - | - | - | 968,301 | 968,301 |
| 3,267 | 26,126 | - | 18,630 | - | 78,213 |
| - | - | - | - | - | 122,640 |
| 3,267 | 26,126 | - | 18,630 | 968,301 | 1,169,154 |
| **$3,271** | **$26,223** | **$7,881** | **$18,662** | **$1,012,940** | **$1,289,203** |

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# STATISTICAL SECTION

## STATE OF CONNECTICUT
## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
## LAST TEN FISCAL YEARS
## (EXPRESSED IN THOUSANDS)

| | FOR THE YEAR ENDED JUNE 30 | | | | |
|---|---|---|---|---|---|
| | (3) | | | | |
| SOURCE (1) | 1981 | 1982 | 1983 | 1984 | 1985 |
| 1. Legislative | $ 11,681 | $ 12,379 | $ 14,906 | $ 15,877 | $ 18,597 |
| 2. General Government | 182,776 | 219,927 | 235,546 | 308,869 | 374,451 |
| 3. Regulation and Protection | 76,098 | 317,773 | 357,987 | 405,517 | 443,837 |
| 4. Natural Resources and Protection | 23,360 | 27,273 | 36,633 | 37,218 | 40,930 |
| 5. Health and Hospitals | 223,600 | 244,218 | 276,908 | 309,353 | 349,410 |
| 6. Transportation | 178,598 | 191,843 | 187,567 | 220,320 | 281,638 |
| 7. Human Services | 665,451 | 719,065 | 802,178 | 896,572 | 903,564 |
| 8. Education, Libraries and Museums | 756,052 | 832,606 | 940,431 | 1,050,529 | 1,180,376 |
| 9. Corrections | 103,670 | 112,931 | 132,516 | 147,921 | 163,602 |
| 10. Judicial | 55,944 | 59,804 | 68,183 | 79,425 | 87,340 |
| 11. Nonfunctional | 272,448 | 267,042 | 296,306 | 327,975 | 386,790 |
| 12. Federal and Other Grants | 312,330 | 317,015 | 324,130 | 347,338 | 343,386 |
| 13. Debt Service | 324,254 | 508,932 | 307,779 | 325,641 | 330,511 |
| **Total Expenditures** | **$3,186,262** | **$3,830,808** | **$3,981,070** | **$4,472,555** | **$4,904,432** |

(1) Includes General, Special Revenue, and Debt Service Funds.

(2) Represents First Year Prepared on GAAP Basis.

(3) Data Presented on a (Legal) Budgetary Basis as it was Impractical to Restate this Data to Generally Accepted Accounting Principle (GAAP) Basis.

(4) Includes Higher Education Expenditures Treated as Operating Transfers Out on Operating Statements.

(5) Beginning in 1989, Nonfunctional Expenditures were Reclassified to the Proper Function of Government.

SOURCES: Annual Report of the State Comptroller 1981-1986
Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1990

| 1986 | (2)<br>1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|
| $ 19,421 | $ 22,912 | $ 27,419 | $ 38,453 | $ 40,748 |
| 395,949 | 442,150 | 466,452 | 68,312 | 1,143,948 |
| 204,889 | 236,409 | 251,099 | 312,359 | 313,466 |
| 47,715 | 89,409 | 83,282 | 133,746 | 163,589 |
| 405,211 | 511,863 | 587,700 | 802,655 | 845,026 |
| 331,419 | 304,110 | 322,876 | 421,240 | 432,350 |
| 981,946 | 1,177,226 | 1,262,257 | 1,488,276 | 1,780,134 |
| 1,307,526 | 1,414,218 (4) | 1,635,888 (4) | 2,061,221 (4) | 2,220,106 (4) |
| 187,130 | 219,901 | 250,366 | 358,188 | 423,239 |
| 87,873 | 102,709 | 110,184 | 160,821 | 173,594 |
| 455,359 | 562,541 | 613,773 | - | - |
| 363,027 | 463,386 (4) | 420,533 (4) | 561,107 (4) | 533,033 (4) |
| 371,987 | 335,095 | 340,518 | 384,730 | 464,586 |
| **$5,159,452** | **$5,881,929** | **$6,372,347** | **$7,778,963** | **$8,533,819** |

# STATE OF CONNECTICUT
# REVENUES BY SOURCE
# LAST TEN FISCAL YEARS
# (EXPRESSED IN THOUSANDS)

| | FOR THE YEAR ENDED JUNE 30 | | | | |
|---|---|---|---|---|---|
| | (3) | | | | |
| **SOURCE (1)** | **1981** | **1982** | **1983** | **1984** | **1985** |
| 1. Taxes | $1,944,852 | $2,380,728 | $2,628,544 | $3,190,306 | $3,573,702 |
| 2. Licenses, Permits and Fees | 208,259 | 225,867 | 175,157 | 202,354 | 262,673 |
| 3. Intergovernmental | 376,206 | 442,834 | 377,012 | 409,947 | 441,481 |
| 4. Charges for Services | 177,518 | 190,150 | 216,925 | 269,513 | 363,328 |
| 5. Fines, Forfeits and Rents | 6,769 | 25,058 | 17,721 | 12,435 | 12,304 |
| 6. Investment Earnings | 32,076 | 46,275 | 16,822 | 15,975 | 20,757 |
| 7. Lottery and Off Track Betting | - | - | - | - | - |
| 8. Miscellaneous | 361,447 | 400,029 | 640,910 | 639,583 | 650,750 |
| **Total Revenues** | **$3,107,127** | **$3,710,941** | **$4,073,091** | **$4,740,113** | **$5,324,995** |

(1) Includes General, Special Revenue and Debt Service Funds.

(2) Represents First Year Prepared on a GAAP Basis.

(3) Data Presented on a Legal (Budget) Basis as it was Impractical to Restate this Data to a GAAP Basis.

NOTE: Beginning in 1989 Lottery and Off Track Betting revenues have been split from Charges for Services and are reported at gross proceeds.

SOURCES: Annual Report of the State Comptroller 1981-1986
Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1990

|  | (2) |  |  |  |
|---|---|---|---|---|
| **1986** | **1987** | **1988** | **1989** | **1990** |
| $3,594,448 | $4,024,113 | $4,079,663 | $4,565,136 | $4,961,739 |
| 310,427 | 289,912 | 320,441 | 330,802 | 380,011 |
| 485,651 | 1,080,103 | 1,159,223 | 1,331,263 | 1,479,412 |
| 430,252 | 375,863 | 382,915 | 65,051 | 59,863 |
| 11,943 | 20,881 | 12,866 | 25,177 | 44,178 |
| 20,340 | 38,763 | 38,824 | 44,727 | 45,579 |
| - | - | - | 697,672 | 718,473 |
| 658,783 | 108,709 | 125,591 | 115,543 | 145,004 |
| **$5,511,844** | **$5,938,344** | **$6,119,523** | **$7,175,371** | **$7,834,259** |

## STATE OF CONNECTICUT
## COMPUTATION OF LEGAL DEBT MARGIN
## JUNE 30, 1990
## (EXPRESSED IN THOUSANDS)

| | |
|---|---|
| General Fund Tax Receipts from Previous Year | $ 4,736,729 |
| Factor | 4.5 |
| Constitutional Debt Limit for Debt Incurred | 21,315,281 |
| Less: Deductions Allowed by Law | 3,089,903 |
| **Legal Debt Margin** | **$18,225,378** |

SOURCE: State of Connecticut Taxable General Obligation Bonds Report Dated September 20, 1990.

## STATE OF CONNECTICUT
## NET GENERAL LONG-TERM BONDED DEBT PER CAPITA
## LAST TEN FISCAL YEARS
## (EXPRESSED IN THOUSANDS)

| | | GENERAL LONG-TERM DEBT | | | |
|---|---|---|---|---|---|
| FOR THE YEAR ENDED JUNE 30, | POPULATION | TOTAL DEBT | LESS DEBT SERVICE FUND | NET | NET DEBT PER CAPITA |
| 1981 | 3,123 | $2,047,450 | $39,234 | $2,008,216 | $643 |
| 1982 | 3,128 | 1,797,365 | 40,988 | 1,756,377 | 562 |
| 1983 | 3,147 | 1,919,120 | 36,189 | 1,882,931 | 598 |
| 1984 | 3,160 | 1,930,750 | 29,203 | 1,901,547 | 602 |
| 1985 | 3,176 | 2,033,260 | 45,063 | 1,988,197 | 626 |
| 1986 | 3,194 | 2,001,495 | 40,882 | 1,960,613 | 614 |
| 1987 | 3,212 | 2,049,465 | 56,055 | 1,993,410 | 621 |
| 1988 | 3,232 | 2,394,513 | 159,802 | 2,234,711 | 691 |
| 1989 | 3,239 | 3,232,491 | 209,175 | 3,023,316 | 933 |
| 1990 | 3,249 | 4,249,439 | 291,621 | 3,957,818 | 1218 |

SOURCES: Economic Report of the Governor 1991-1992
Combined Balance Sheet

## STATE OF CONNECTICUT
## RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
### LAST TEN FISCAL YEARS
### (EXPRESSED IN THOUSANDS)

| FOR THE YEAR ENDED JUNE 30, | PRINCIPAL | INTEREST | TOTAL DEBT SERVICE | (1) TOTAL GENERAL EXPENDITURES | RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES |
|---|---|---|---|---|---|
| 1981 | 184,634 | 139,620 | 324,254 | 3,186,262 | 10.2% |
| 1982 | 357,667 | 151,265 | 508,932 | 3,830,908 | 13.3% |
| 1983 | 188,865 | 118,914 | 307,779 | 3,981,070 | 7.7% |
| 1984 | 192,992 | 132,649 | 325,641 | 4,472,555 | 7.3% |
| 1985 | 204,731 | 125,780 | 330,511 | 4,904,432 | 6.7% |
| 1986 | 218,290 | 153,697 | 371,987 | 5,159,452 | 7.2% |
| 1987(2) | 180,685 | 154,410 | 335,095 | 5,881,929 | 5.7% |
| 1988 | 179,950 | 160,568 | 340,518 | 6,372,347 | 5.3% |
| 1989 | 201,203 | 183,527 | 384,730 | 7,778,963 | 4.9% |
| 1990 | 230,876 | 233,710 | 464,586 | 8,533,819 | 5.4% |

(1) Includes General, Special Revenue and Debt Service Funds. Also Included are Higher Education Expenditures Treated as Operating Transfers Out on Operating Statements.

(2) 1987-First Year Prepared on a GAAP Basis.

SOURCES: Annual Report of the State Comptroller 1981-1986
Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1990

## STATE OF CONNECTICUT
## REVENUE BOND COVERAGE
## LAST EIGHT FISCAL YEARS
## (EXPRESSED IN THOUSANDS)

### BRADLEY INTERNATIONAL AIRPORT

| FOR THE YEAR ENDED JUNE 30, | GROSS REVENUE(1) | DIRECT OPERATING EXPENSES(2) | NET REVENUE AVAILABLE FOR DEBT SERVICE | DEBT SERVICE REQUIREMENTS | | | |
|---|---|---|---|---|---|---|---|
| | | | | PRINCIPAL | INTEREST | TOTAL | COVERAGE |
| 1983 | $11,026 | $ 3,282 | $ 7,744 | $ - | $ 6,366 | $ 6,366 | 1.22 |
| 1984 | 18,744 | 6,389 | 12,355 | - | 10,075 | 10,075 | 1.23 |
| 1985 | 19,075 | 6,518 | 12,557 | - | 9,138 | 9,138 | 1.37 |
| 1986 | 18,963 | 8,332 | 10,631 | - | 7,333 | 7,333 | 1.45 |
| 1987 | 22,074 | 12,100 | 9,974 | - | 9,242 | 9,242 | 1.08 |
| 1988 | 25,619 | 13,487 | 12,132 | - | 10,283 | 10,283 | 1.18 |
| 1989 | 32,049 | 14,395 | 17,654 | 995 | 10,093 | 11,088 | 1.59 |
| 1990 | 37,000 | 15,711 | 21,289 | 1075 | 10,250 | 11,325 | 1.88 |

(1) Includes Operating and Non-Operating Revenues.

(2) Includes Operating Expenses Less Depreciation and Interest Expenses.

NOTE: A separate fund for Bradley International Airport (Bradley) was established in 1983. Prior to 1983, Bradley was included as part of the Transportation Fund and no separate financial statements were issued.

SOURCE: Bradley International Airport Financial Statements

# STATE OF CONNECTICUT
# REVENUE BOND COVERAGE
# LAST TEN FISCAL YEARS
# (EXPRESSED IN THOUSANDS)

## CONNECTICUT DEVELOPMENT AUTHORITY

| FOR THE YEAR ENDED JUNE 30, | GROSS RECEIPTS USED FOR DEBT SERVICES(1) | DIRECT OPERATING EXPENSES(2) | AVAILABLE FOR DEBT SERVICE | DEBT SERVICE REQUIREMENTS | | | |
|---|---|---|---|---|---|---|---|
| | | | | PRINCIPAL | INTEREST | TOTAL | COVERAGE |
| 1981 | $56,498 | $745 | $55,753 | $17,322 | $32,304 | $49,626 | 1.12 |
| 1982 | 93,892 | 1,109 | 92,783 | 38,563 | 47,239 | 85,802 | 1.08 |
| 1983 | 132,725 | 1,349 | 131,376 | 59,440 | 67,823 | 127,263 | 1.03 |
| 1984 | 134,614 | 1,505 | 133,109 | 47,078 | 79,889 | 126,967 | 1.05 |
| 1985 | 225,335 | 1,897 | 223,438 | 82,864 | 131,677 | 214,541 | 1.04 |
| 1986 | 279,002 | 1,830 | 277,172 | 126,178 | 141,057 | 267,235 | 1.04 |
| 1987 | 253,375 | 1,901 | 251,474 | 103,157 | 135,561 | 238,718 | 1.05 |
| 1988 | 272,954 | 2,034 | 270,920 | 122,331 | 137,169 | 259,500 | 1.04 |
| 1989 | 341,359 | 2,494 | 338,865 | 192,285 | 139,536 | 331,821 | 1.02 |
| 1990 | 236,158 | 2,880 | 233,278 | 83,363 | 144,287 | 227,650 | 1.02 |

(1) Includes Operating and Non-Operating Revenues and Principal Collected on Loans.

(2) Includes Operating Expenses Less Depreciation, Amortization and Interest Expenses.

SOURCE: Connecticut Development Authority Financial Statements

# STATE OF CONNECTICUT
# REVENUE BOND COVERAGE
# LAST TEN FISCAL YEARS
# (EXPRESSED IN THOUSANDS)

## RENTAL HOUSING

| FOR THE YEAR ENDED JUNE 30, | GROSS RECEIPTS USED FOR DEBT SERVICES(1) | DIRECT OPERATING EXPENSES(2) | NET REVENUE AVAILABLE FOR DEBT SERVICE | DEBT SERVICE REQUIREMENTS | | | |
|---|---|---|---|---|---|---|---|
| | | | | PRINCIPAL | INTEREST | TOTAL | COVERAGE |
| 1981 | $5,172 | $875 | $4,297 | $700 | $4,505 | $5,205 | 0.83 |
| 1982 | 4,496 | 1,044 | 3,452 | 700 | 4,918 | 5,618 | 0.61 |
| 1983 | 6,436 | 1,283 | 5,153 | 1,250 | 7,068 | 8,318 | 0.62 |
| 1984 | 8,539 | 1,508 | 7,031 | 7,150 | 7,651 | 14,801 | 0.48 |
| 1985 | 8,414 | 1,491 | 6,923 | 3,750 | 7,221 | 10,971 | 0.63 |
| 1986 | 9,790 | 1,979 | 7,811 | 2,450 | 6,970 | 9,420 | 0.83 |
| 1987 | 11,379 | 2,257 | 9,122 | 2,450 | 6,293 | 8,743 | 1.04 |
| 1988 | 7,985 | 2,483 | 5,502 | 5,950 | 6,090 | 12,040 | 0.46 |
| 1989 | 13,206 | 3,210 | 9,996 | 1,550 | 7,480 | 9,030 | 1.11 |
| 1990 | 16,106 | 4,205 | 11,901 | 1,550 | 8,694 | 10,244 | 1.16 |

(1) Includes Operating and Non-Operating Revenues and Principal Collections.

(2) Includes Operating Expenses Less Depreciation, Amortization and Interest Expenses.

SOURCES: Annual Report of the State Comptroller
Annual Report of the Treasurer
Combining Statement of Revenues, Expenses & Changes in Retained Earnings
Combining Statement of Cash Flows

# STATE OF CONNECTICUT
# REVENUE BOND COVERAGE
# LAST TEN FISCAL YEARS
# (EXPRESSED IN THOUSANDS)

## CONNECTICUT HOUSING FINANCE AUTHORITY

| FOR THE YEAR ENDED DEC. 31, | GROSS RECEIPTS USED FOR DEBT SERVICES(1) | DIRECT OPERATING EXPENSES(2) | AVAILABLE FOR DEBT SERVICE | DEBT SERVICE REQUIREMENTS | | | |
|---|---|---|---|---|---|---|---|
| | | | | PRINCIPAL | INTEREST | TOTAL | COVERAGE |
| 1980 | $123,872 | $5,283 | $118,589 | $21,575 | $72,968 | $94,543 | 1.25 |
| 1981 | 147,760 | 6,039 | 141,721 | 30,630 | 84,726 | 115,356 | 1.23 |
| 1982 | 183,065 | 6,814 | 176,251 | 39,920 | 116,561 | 156,481 | 1.13 |
| 1983 | 232,315 | 7,999 | 224,316 | 47,715 | 137,929 | 185,644 | 1.21 |
| 1984 | 280,359 | 8,858 | 271,501 | 59,030 | 155,980 | 215,010 | 1.26 |
| 1985 | 354,257 | 9,980 | 344,277 | 66,350 | 175,298 | 241,648 | 1.42 |
| 1986 | 482,135 | 11,719 | 470,416 | 222,425 | 190,105 | 412,530 | 1.14 |
| 1987 | 451,530 | 11,282 | 440,248 | 241,835 | 179,003 | 420,838 | 1.05 |
| 1988 | 367,793 | 15,444 | 352,349 | 140,915 | 175,957 | 316,872 | 1.11 |
| 1989 | 362,041 | 23,911 | 338,130 | 105,335 | 190,882 | 296,217 | 1.14 |

(1) Includes Operating and Non-Operating Revenues and Principal Collected on Loans.

(2) Includes Operating Expenses Less Depreciation, Amortization and Interest Expenses.

SOURCE: Connecticut Housing Finance Authority Financial Statements

# STATE OF CONNECTICUT
# REVENUE BOND COVERAGE
# LAST TWO FISCAL YEARS
# (EXPRESSED IN THOUSANDS)

## CONNECTICUT RESOURCES RECOVERY AUTHORITY

| FOR THE YEAR ENDED JUNE 30, | GROSS REVENUE(1) | DIRECT OPERATING EXPENSES(2) | NET REVENUE AVAILABLE FOR DEBT SERVICE | DEBT SERVICE REQUIREMENTS | | | |
|---|---|---|---|---|---|---|---|
| | | | | PRINCIPAL | INTEREST | TOTAL | COVERAGE |
| 1989 | $ 97,385 | $71,264 | $26,121 | $ - | $28,441 | $28,441 | .92 |
| 1990 | 133,435 | 92,959 | 40,476 | 6,531 | 27,700 | 34,231 | 1.18 |

(1) Includes Operating Revenues and Investment Income.

(2) Includes Operating Expenses Less Depreciation and Amortization.

NOTE: Prior to 1989, Connecticut Resources Recovery Authority was considered a development stage enterprise as many of its facilities were still being constructed.

SOURCE: Connecticut Resources Recovery Authority Financial Statements

## STATE OF CONNECTICUT
## ANNUAL ESTIMATES OF THE RESIDENT POPULATION
## CONNECTICUT COMPARED TO THE UNITED STATES
## LAST TEN FISCAL YEARS
## (EXPRESSED IN THOUSANDS)

| FOR THE YEAR ENDED JUNE 30, | UNITED STATES | CONNECTICUT | % |
|---|---|---|---|
| 1981 | 229,637 | 3,123 | 1.4% |
| 1982 | 231,996 | 3,127 | 1.3% |
| 1983 | 234,284 | 3,140 | 1.3% |
| 1984 | 236,495 | 3,155 | 1.3% |
| 1985 | 238,740 | 3,170 | 1.3% |
| 1986 | 241,078 | 3,189 | 1.3% |
| 1987 | 243,308 | 3,212 | 1.3% |
| 1988 | 245,529 | 3,235 | 1.3% |
| 1989 | 248,255 | 3,246 | 1.3% |
| 1990 | 250,400 | 3,249 | 1.3% |

SOURCE: Economic Report of the Governor 1991-1992

## STATE OF CONNECTICUT
## BANK DEPOSITS
## LAST TEN FISCAL YEARS
## (EXPRESSED IN THOUSANDS)

| TOTAL AS OF JUNE 30, | BANK DEPOSITS |
|---|---|
| 1981 | $10,895,000 |
| 1982 | 11,165,000 |
| 1983 | 13,586,000 |
| 1984 | 13,772,000 |
| 1985 | 18,012,982 |
| 1986 | 22,165,948 |
| 1987 | 25,039,322 |
| 1988 | 27,868,453 |
| 1989 | 29,645,168 |
| 1990 | 34,465,966 |

SOURCES: 1981-1987 Branch Directory and Summary of Deposits, Decision Research Sciences, Inc.
1988-1990 Commissioner's Annual Report

## STATE OF CONNECTICUT
## RESIDENT EMPLOYMENT, UNEMPLOYMENT AND UNEMPLOYMENT RATE FOR THE LAST TEN CALENDER YEARS

| CALENDAR YEAR | LABOR FORCE (Thousands) | EMPLOYMENT (Thousands) | UNEMPLOYMENT (Thousands) | UNEMPLOYMENT RATE |
|---|---|---|---|---|
| 1981 | 1589.6 | 1491.0 | 98.7 | 6.2% |
| 1982 | 1602.5 | 1504.1 | 105.4 | 6.5% |
| 1983 | 1599.3 | 1487.6 | 111.7 | 7.0% |
| 1984 | 1635.7 | 1556.9 | 78.8 | 4.8% |
| 1985 | 1694.0 | 1612.4 | 81.6 | 4.8% |
| 1986 | 1727.1 | 1653.0 | 74.1 | 4.3% |
| 1987 | 1749.2 | 1687.0 | 62.2 | 3.6% |
| 1988 | 1743.6 | 1693.3 | 52.1 | 3.0% |
| 1989 | 1749.6 | 1693.3 | 56.4 | 3.2% |
| 1990 | 1773.4 | 1693.5 | 80.0 | 4.5% |

SOURCE: Economic Report of the Governor 1991-1992

## STATE OF CONNECTICUT
## TOTAL PERSONAL INCOME AND PER CAPITA PERSONAL INCOME CONNECTICUT COMPARED TO THE UNITED STATES LAST TEN CALENDAR YEARS

| | TOTAL PERSONAL INCOME (Billions of Dollars) | | | PER CAPITA PERSONAL INCOME (Dollars) | | | PER CAPITA PERSONAL INCOME |
|---|---|---|---|---|---|---|---|
| CALENDAR YEAR | UNITED STATES | CONNECTICUT | % | UNITED STATES | CONNECTICUT | % | CT RANK |
| 1981 | $2,394.0 | $39.94 | 1.7% | $10,425 | $12,790 | 122.7% | N/A |
| 1982 | 2,607.1 | 43.80 | 1.7% | 11,238 | 14,002 | 124.6% | 3 |
| 1983 | 2,744.6 | 46.79 | 1.7% | 11,715 | 14,868 | 126.9% | 3 |
| 1984 | 2,974.4 | 51.10 | 1.7% | 12,578 | 16,172 | 128.6% | 3 |
| 1985 | 3,224.2 | 56.12 | 1.7% | 13,505 | 17,671 | 130.8% | 3 |
| 1986 | 3,424.4 | 59.97 | 1.8% | 14,203 | 18,776 | 132.2% | 1 |
| 1987 | 3,632.5 | 65.06 | 1.8% | 14,922 | 20,256 | 135.7% | 1 |
| 1988 | 3,914.6 | 71.62 | 1.8% | 15,927 | 22,159 | 139.1% | 1 |
| 1989 | 4,240.9 | 77.91 | 1.8% | 17,084 | 24,054 | 140.8% | 1 |
| 1990 | 4,514.3 | 81.23 | 1.8% | 18,028 | 25,001 | 138.7% | 1 |

SOURCE: Economic Report of the Governor 1991-1992

# STATE OF CONNECTICUT
# NONAGRICULTURAL EMPLOYMENT
# LAST TEN FISCAL YEARS

| FOR THE YEAR ENDED JUNE 30, | (THOUSANDS) MANUFACTURING | (THOUSANDS) NONMANUFACTURING |
|---|---|---|
| 1981 | 437.98 | 993.92 |
| 1982 | 432.19 | 1004.81 |
| 1983 | 406.35 | 1022.83 |
| 1984 | 409.36 | 1074.20 |
| 1985 | 415.37 | 1131.64 |
| 1986 | 400.27 | 1178.51 |
| 1987 | 389.45 | 1236.84 |
| 1988 | 380.47 | 1281.73 |
| 1989 | 366.45 | 1311.99 |
| 1990 | 354.74 | 1325.13 |

**JUNE 30, 1990 TEN LARGEST NONAGRICULTURAL INDUSTRIES**

| INDUSTRY | AVERAGE # OF EMPLOYEES (THOUSANDS) |
|---|---|
| Services | 432.46 |
| Wholesale and Retail Trade | 384.20 |
| Manufacture of Durable Goods | 265.91 |
| Government | 210.17 |
| Insurance | 80.43 |
| Construction | 74.08 |
| Finance and Real Estate | 71.41 |
| Manufacture of Nondurable Goods | 68.91 |
| Transportation | 40.32 |
| Communications | 18.38 |

SOURCE: Economic Report of the Governor 1991-1992

## STATE OF CONNECTICUT
## TOP TWENTY-FIVE EMPLOYERS
## JUNE 30, 1990

| | COMPANY | PRINCIPAL CONNECTICUT LOCATION |
|---|---|---|
| 1. | State of Connecticut | Statewide |
| 2. | United Technologies Corp. | Statewide |
| 3. | Federal Government | Statewide |
| 4. | General Dynamics Corp. | Groton |
| 5. | Aetna Life & Casualty | Hartford |
| 6. | American Telephone & Telegraph | Statewide |
| 7. | Travelers Insurance Co. | Hartford |
| 8. | Stop & Shop Co. | Statewide |
| 9. | Yale University | New Haven |
| 10. | Northeast Utilities | Statewide |
| 11. | General Electric | Bridgeport |
| 12. | ITT Corp. | Statewide |
| 13. | CIGNA | Bloomfield |
| 14. | Associated Drygoods | Statewide |
| 15. | First National Supermarkets | Statewide |
| 16. | Pitney Bowes | Statewide |
| 17. | Combustion Engineering | Windsor |
| 18. | Connecticut Bank & Trust | Hartford |
| 19. | AVCO Corp. | Stratford |
| 20. | Perkin Elmer Corp. | Norwalk |
| 21. | Yale-New Haven Hospital | New Haven |
| 22. | Hartford Hospital | Hartford |
| 23. | Stone & Webster Engineering | Waterford |
| 24. | Sears Roebuck & Co. | Statewide |
| 25. | Union Carbide | Danbury |

SOURCE: Department of Economic Development

## STATE OF CONNECTICUT
## ECONOMIC INDICATORS
## LAST TEN FISCAL YEARS

| FOR THE YEAR ENDED JUNE 30, | RETAIL SALES (MILLIONS) | DEFENSE CONTRACT AWARDS (MILLIONS) | DISPOSABLE INCOME (BILLIONS) | TOTAL EMPLOYMENT (THOUSANDS) | NUMBER OF HOUSING STARTS (THOUSANDS) |
|---|---|---|---|---|---|
| 1981 | $14,105 | $4,492 | $33.55 | 1589.6 | 9.09 |
| 1982 | 15,534 | 5,897 | 36.52 | 1609.5 | 7.47 |
| 1983 | 18,925 | 5,126 | 39.37 | 1599.3 | 13.88 |
| 1984 | 19,765 | 5,459 | 43.78 | 1635.7 | 15.09 |
| 1985 | 21,909 | 5,543 | 47.56 | 1694.0 | 19.55 |
| 1986 | 27,656 | 5,441 | 49.70 | 1727.1 | 26.59 |
| 1987 | 27,790 | 5,031 | 54.10 | 1749.2 | 26.53 |
| 1988 | 28,586 | 4,911 | 60.02 | 1743.6 | 22.40 |
| 1989 | 29,021 | 6,082 | 65.45 | 1749.6 | 15.49 |
| 1990 | 28,429 | N/A | 68.17 | 1773.4 | 11.42 |

SOURCES: Economic Report of the Governor 1991-1992

## STATE OF CONNECTICUT
## DEMOGRAPHICS
## LAST TEN FISCAL YEARS

| FOR THE YEAR ENDED JUNE 30, | POPULATION (THOUSANDS) | PER CAPITA INCOME | SCHOOL ENROLLMENT | UNEMPLOYMENT RATE |
|---|---|---|---|---|
| 1981 | 3,123 | $12,790 | 530,338 | 6.2% |
| 1982 | 3,128 | 14,002 | 508,309 | 6.5% |
| 1983 | 3,147 | 14,868 | 489,187 | 7.0% |
| 1984 | 3,160 | 16,172 | 474,475 | 4.8% |
| 1985 | 3,176 | 17,671 | 465,031 | 4.8% |
| 1986 | 3,194 | 18,776 | 465,896 | 4.3% |
| 1987 | 3,212 | 20,256 | 461,724 | 3.6% |
| 1988 | 3,232 | 22,159 | 460,564 | 3.0% |
| 1989 | 3,239 | 24,054 | 460,190 | 3.2% |
| 1990 | 3,249 | 25,001 | 464,563 | 4.5% |

SOURCES: Economic Report of the Governor 1991-1992
State of Connecticut Register and Manual

## STATE OF CONNECTICUT
## MAJOR REVENUE SOURCES
## GENERAL FUND
## LAST TEN FISCAL YEARS
## (Millions)

| FISCAL YEAR | SALES & USE TAX | % OF TOTAL REVENUE | CORPORATION TAX | % OF TOTAL REVENUE | CAPITAL GAINS TAX | % OF TOTAL REVENUE |
|---|---|---|---|---|---|---|
| 1981 | $932.7 | 38.9 | $248.7 | 10.4 | $117.8 | 4.9 |
| 1982 | 1015.0 | 37.1 | 330.7 | 12.1 | 137.8 | 5.0 |
| 1983 | 1123.1 | 38.0 | 345.5 | 11.7 | 183.7 | 6.2 |
| 1984 | 1362.9 | 38.6 | 416.1 | 11.8 | 289.5 | 8.2 |
| 1985 | 1542.0 | 39.0 | 521.3 | 13.2 | 302.4 | 7.6 |
| 1986 | 1652.6 | 37.7 | 654.8 | 15.0 | 317.3 | 7.2 |
| 1987 | 1840.6 | 38.1 | 681.9 | 14.1 | 467.8 | 9.7 |
| 1988 | 2000.4 | 40.3 | 661.3 | 13.3 | 386.3 | 7.8 |
| 1989 | 2097.5 | 37.4 | 870.0 | 15.5 | 508.7 | 9.1 |
| 1990 | 2479.0 | 51.7 | 794.1 | 16.6 | 624.7 | 7.7 |

SOURCE: Revenue, Budget and Economic Data (Fiscal Years 1969-1990)

## STATE OF CONNECTICUT
## SALES AND USE TAX
## MAJOR INDUSTRIAL CATEGORIES
## JUNE 30,1990
## (Millions)

| INDUSTRY | TAX | % |
|---|---|---|
| Manufacturing | $185.3 | 8.3% |
| Wholesale | 142.2 | 6.4% |
| Retail: | | |
| Hardware | 101.7 | 4.5% |
| General Merchandise | 123.7 | 5.5% |
| Food Products | 128.3 | 5.7% |
| Auto Products | 282.8 | 12.7% |
| Apparel | 36.6 | 1.6% |
| Home Appliances & Furnishings | 99.4 | 4.5% |
| Eating & Drinking Establishments | 155.1 | 6.9% |
| Miscellaneous Shopping Stores | 244.5 | 10.9% |
| Business | 408.5 | 18.2% |
| All Other Businesses | 332.1 | 14.8% |
| **Total Sales & Use Tax** | **$2,240.2** | |

NOTE: The figures shown are based on returns filed on a timely basis and do not include audits or late returns.

SOURCE: Department of Revenue Services

# STATE OF CONNECTICUT
# MISCELLANEOUS STATISTICS
## JUNE 30, 1990

| | |
|---|---|
| Date of Ratification | January 9, 1788 |
| Form of Government | Legislative - Executive - Judicial |
| Miles of State Highway | 4,035 |
| Land Area | 5,009 Square Miles |
| State Police Protection: | |
| Number of Stations | 12 |
| Number of State Police | 1564 |
| Higher Education (Universities, Colleges and Community Colleges): | |
| Number of Campuses in State | 22 |
| Number of Educators | 3,478 |
| Number of Students | 108,300 |
| Recreation: | |
| Number of State Parks | 91 |
| Area of State Parks | 30,043 Acres |
| Area of State Forests | 139,377 Acres |
| Employees: | |
| Full-Time | 52,181 |
| Part-Time(Permanent) | 2,752 |

SOURCE: Connecticut State Register and Manual
Office of Policy and Management

# STATE OF CONNECTICUT

## *OFFICE OF THE STATE COMPTROLLER ORGANIZATION*

As of June 30, 1990

**J. Edward Caldwell**
State Comptroller

**Lawrence Cacciola**
Deputy Comptroller

**Bernard McLoughlin**
Chief Administrative Officer

**Mark Schillinger**
Assistant
Chief Administrative Officer

**Barbara Dignoti**
Director, Central Payroll

**Margonis Janaus**
Director, Accounting Systems

**Carl Kask**
Director, Computer Services

**Rene Osterlund**
Director
Staff Services and Personnel

**Jeffrey Holyst**
Chief Fiscal Officer

**Robert Kallin**
Director, FMIS

**Walter Olender**
Director, Special Services

**A. Douglas Vallee**
Director
Central Accounts Payable

**Steven Weinberger**
Director, Retirement Division

**Central Accounting Division**
Raymond Girard - Chief Accountant
Robert Krueger - Assistant Chief
Hazel Brown

**Financial Reporting**
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Nancy Fuda
Doris Przygocki
Janet Richardson

**Accounting Operations**
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Patrick Collins
Karen Hurst
Karen Jones
Beverly Hegstrom
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# NOTES

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